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Problems of Communism

Essay-Reviews

Jeffrey Gedmin
Phillip A. Petersen
Lars T. Lih
Marc Raeff
Ronald Tiersky
Barry J. Naughton
Barbara Ann Chotiner

MARCH-APRIL 1990

SOVIET FEDERALISM

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Brazauskas and the CPL

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Shen Xiaofang

CP Checklist 1989

Richard F. Staar

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Problems of Communism

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MARCH-APRIL 1990 VOL XXXIX

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COVER: Soviet armored vehicles on the streets of Vilnius, the capital of Lithuania, on March 23, 1990. Photo by Novosti via Reuters/Bettmann Newsphotos.

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IN THIS ISSUE OF

Problems of Communism

Articles

Soviet Federalism

Stephan Kux

Ethnic clashes, separatist movements, and other expressions of popular and official dissatisfaction all attest to a crisis of the Soviet federation. In response, Mikhail Gorbachev has proposed "renewing" the federation by devolving authority from the center to the republics and regions. However, Moscow's inability to develop mechanisms to resolve conflicts between the center and the periphery, the decline of the economy, and a centralist political culture are formidable obstacles to true federalism in the USSR. Given the leadership's ambivalence about letting go of real power, "renewal" of the Soviet federation is likely to bring increased nationalism, particularism, and localism.

Toward Lithuanian Independence: Algirdas Brazauskas and the CPL

Alfred Erich Senn

Algirdas Brazauskas, the first secretary of the Communist Party of Lithuania (CPL), presided over his party's declaration of independence from the Soviet Communist Party and paved the way for Lithuania's eventual declaration of independence from the USSR. Consequently, Brazauskas became Lithuania's most popular political figure. By contrast, the CPL fared poorly in the recent elections to the republic's Supreme Soviet and now plays the unaccustomed role of the "opposition."

Soviet Agriculture's Halting Reform

Karen M. Brooks

Despite the enormous drain on resources created by Soviet agriculture, reform of this sector has been halting and incomplete. The regime has resorted to various organizational innovations such as the collective contract and, more recently, new leaseholding arrangements, but has avoided tackling the tasks of marketization, rational pricing, and wholesale trade in agricultural inputs, which would improve the performance of older as well as the new forms of Soviet agriculture.

Moscow and the Congo

Mark V. Kauppi

The political relationship between the USSR and the Congo, highlighted by the use of the latter in the mid-1970's as a transshipment point for arms destined for the Popular Movement for the Liberation of Angola and by the signing of a Treaty of Friendship and Cooperation in 1981, have evidenced a modest level of political, military, and economic commitment by Moscow. While benefiting from Soviet military assistance, the Congo has not had to compromise major national interests.

Notes

A Decade of Direct Foreign Investment in China

Shen Xiaofang

A decade of direct foreign investment (DFI) has contributed capital, technological progress, and management techniques to China's economic development. Even before June 1989, however, many socio-economic problems had already developed and were forming substantial obstacles to further progress in DFI—the events of June simply added to these obstacles and put DFI at a critical juncture.

Checklist of Communist Parties in 1989

Richard F. Staar

This listing of the world's major communist movements is provided in cooperation with the Hoover Institution on War, Revolution and Peace.

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Essay-Reviews

East Germany's Disappearing Future

Jeffrey Gedmin

In 1989, severe political and economic problems created a profound legitimacy crisis for East Germany's communist party. In an effort to win popular support, the party opened up the Berlin Wall, radically altered its political and economic programs, and came out for German reunification. However, the March 1990 elections were a referendum on communist rule, which was rejected, and a referendum on unification with West Germany, which was accepted.

A New Security Regime for Europe?

Phillip A. Petersen

The European security system is breaking down. A new security regime is evolving, but the transition will expose Soviet vulnerabilities. The new security system can placate Moscow's fears if it succeeds in integrating the USSR into Europe. The challenge in adapting to these accelerating changes lies in the West's jettisoning the intellectual constructs that underpinned the security policies that were pursued over the decades of confrontation with the USSR.

Breakdown and Reconstitution: Thinking about the Russian Revolution

Lars T. Lih

By 1917, Russia was in the midst of a "double breakdown": it had neither the material base for the necessary economic relations between town and country nor a political base that could underpin an effective national "political class." In the "period of reconstitution" from 1917 to 1921, the Bolsheviks sought to rebuild the state as the primary means to reestablish economic and political unity within Russia.

Consequences of *Glasnost'*

Marc Raeff

Glasnost' has led to a questioning of the entire Soviet experiment and a search for alternative values, and thus has brought religion and nationalism to the fore. In the case of the Russians, although there are many positive aspects in the revival of Orthodoxy and national traditions, a heightened sense of national exclusiveness and moralism has also resulted. Should these sentiments become dominant, it would bode ill for *perestroyka* as conceived by Mikhail Gorbachev.

Perestroyka and Beyond

Ronald Tiersky

The dissolution of communism means that new analytical frameworks for understanding communism and its demise will have to be worked out. Although it is too soon to grasp everything that the new frameworks must account for, the role of civil society will figure prominently in approaches attempting to explain the transition from communism to post-communism.

China's Economy

Barry J. Naughton

Already in 1984, the Chinese economy had begun to show signs of overheating and inflation that would lead to a retreat from reform. A number of books on China's economy written in the mid- to late 1980's understandably failed to deal with the shift away from reform in 1988, but also failed to provide an analytic framework that might accommodate this important development.

On Communist Agriculture

Barbara Ann Chotiner

Political, rather than economic, considerations shaped the agricultural policies of communist regimes, leading to economically irrational results. To overcome this legacy, successful reforms require institutionalizing market relationships and encouraging the application of professional expertise in the agricultural sector.

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Soviet Federalism

Stephan Kux

Mikhail Gorbachev sees his program of *perestroyka* as seriously jeopardized by outbreaks of popular unrest, ethnic clashes, and separatist movements that are occurring in every corner of the inner Soviet empire. The Lithuanian question has achieved as much importance on the East-West agenda as have German unification or nuclear disarmament. Yet the so-called nationalities conflicts cannot be limited to particular issues or areas—or viewed as a function of local phenomena or minority problems. Nationalism, particularism, and separatism are manifestations of more complex problems besetting the USSR. Social, economic, environmental, and political issues are "ethnicized" and vice versa. The explosion of ethnic unrest and the escalation of center-periphery conflicts testify to the inadequate performance of the federal institutions, the breakdown of traditional channels of communication, the failure of internal bargaining processes, and the lack of appropriate mechanisms for a peaceful resolution of domestic conflicts. In brief, they are symptoms of a crisis of Soviet federalism.[1]

In theory, the Soviet Union is constituted as a union of sovereign states or republics bound together in a voluntary federation—like Switzerland or the United States.[2] The constitution describes the USSR as an "integral, federal, multinational state formed on the principle of socialist federalism."[3] Soviet legislation sets down rules guiding the political, economic, and cultural interplay between the Russian-dominated central authority and the predominantly non-Russian union-republics. Yet de facto any American town has a larger measure of independence and self-government than a Soviet republic.[4] The tradition of a strong center, the built-in tendencies toward centralization, and the lack of constitutional oversight have in practice resulted in the usurpation of jurisdiction by the central authorities, so that few inalienable, exclusive powers are left to the republics. While a republic has the theoretical right to leave the Union, it was not allowed to select the textbooks for its schools or to build a new road without asking for permission from Moscow. The extent of the powers of the republics at any time depends not on guaranteed constitutional rights but on the will of the

Stephan Kux is a political scientist at the University of Zürich. He is the author of Soviet Federalism—A Comparative Analysis *(1990). During the 1989–90 academic year, he is a Resident Fellow at the Institute for East-West Security Studies (New York).*

[1]For an elaboration of this argument, see Alexander J. Motyl, "The Sobering of Gorbachev: Nationality, Restructuring, and the West," in Seweryn Bialer, Ed., *Inside Gorbachev's Russia*, Boulder, CO, Westview, 1989, pp. 83–98.

[2]The term "federation" is derived from the Latin word "*foedus*" (covenant, contract, treaty) and describes a voluntary association of sovereign states for some common purpose with limited delegation of powers to a central authority. The main characteristics of a federal state include: (1) the supremacy of the constitution defining rules of the federative relationship and providing legal guarantees for all parties involved; (2) the clear demarcation of powers between the federal government and the member states guaranteeing a certain degree of sovereignty for the constituent states (principle of non-centralization); (3) bargaining and arbitration mechanisms for resolving constitutional conflicts; and (4) a bicameral parliamentary system ensuring direct representation of the constituent states at the federal level. See Klaus von Beyme, "Federalism," in C. D. Kernig, *Marxism, Communism and Western Society—A Comparative Encyclopedia*, Vol. III, New York, Herder and Herder, 1972, pp. 314–28; R. R. Bowie and C. J. Friedrich, *Studies in Federalism*, Boston, MA, Little, Brown, and Co., 1954; C. J. Friedrich, *Trends of Federalism in Theory and Practice*, New York, Praeger, 1968; *Comparative Federalism—Conference Proceedings*, Philadelphia, Center for the Study of Federalism, 1985; M. Usteri, *Theorie des Bundesstaates* (Theory of the Federal State), Zürich, Schulthess, 1954.

[3]Article 70 of the Constitution (Fundamental Law) of the Union of Soviet Socialist Republics, Moscow, Progress, 1985, with the subsequent amendments on Dec. 1, 1988, Dec. 22, 1989, Dec. 23, 1989, and Mar. 15, 1990.

[4]Some Soviet experts continue to claim that the USSR is uniquely superior because Soviet republics enjoy broader rights than the member states of any other federation. See N. Mikhaleva, "The Fate of Our Federation," *Pravda* (Moscow), Oct 18, 1989.

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central authorities to delegate responsibilities to lower levels of administration. As even the "CPSU Nationalities Platform" concedes, the republics' sovereignty is "largely formal."[5] Gorbachev has said that "up to now our state existed as a centralized and unitary state and none of us has yet the experience of living in a federation." The political and economic realities in the USSR "violate the constitutional provisions of the Soviet federation both in letter and spirit." As a result, "the very idea of federation has been seriously compromised."[6]

In recent years, the republics were able, thanks to *perestroyka* and *glasnost'*, to strengthen considerably their political, economic, and cultural resources, as well as increase their weight in the Soviet system and thus change the balance in the center-periphery relationship. The existing pseudo-federal arrangement no longer satisfies the growing aspirations and expectations Gorbachev has aroused in the peripheries. The indecisiveness of the center, the slow pace and contradictory nature of political reform, and the deterioration of the economic situation have accelerated the disintegration of this exceptionally heterogeneous, multiethnic empire. Soviet republics have begun to follow the example of the Soviet Union's East European satellites and to question the economic and political bonds linking them to the center. What Gennadiy Gerasimov called the Sinatra doctrine in reference to the external empire, applies now to the internal one. The regions and republics of the USSR start to do it "their way." Whatever its real content has been in the past, the Soviet federation is currently heading towards its most serious crisis of confidence and performance since the creation of the USSR in 1922.

The Soviet federation lacks legitimacy. In the words of the historian Yuriy Afanas'yev, "one must admit that Soviet history as a whole is not fit to serve as a legal basis for Soviet power."[7] None of the non-Russian member states believes that it joined the Union on a truly voluntary basis. The Georgian parliament has recently declared the incorporation of 1922 "null and void."[8] The Baltic republics consider the Molotov-Rippentrop Pact, the Soviet-sponsored elections of 1940, and the decision of the "puppet parliaments" to join the USSR as illegal and invalid acts.[9] In their view, no contractual relationship exists with the Soviet Union, and therefore no legal basis for their membership in the federation. In Armenia, Azerbaijan, and other republics, parliamentary commissions have submitted reports reviewing the circumstances of their incorporation into the USSR.

Gorbachev's Agenda

While the condition of the federation is viewed as one of the problems besetting the Soviet Union, its reform is also seen as part of the solution. The once despised notion of federalism is becoming increasingly popular among Soviet leaders. As the CPSU Nationalities Platform stresses, the task of resolving ethnic and political conflicts within the USSR is inseparable from building a "completely new federation," from constructing a "common home for all Soviet peoples."[10] Political debates, parliamentary hearings, scholarly literature, newspaper articles, and interviews in the mass media exhaustively discuss the Union's shortcomings, the prospects of federalism, and the specific approaches to reviving the Soviet federation and staving off its collapse.[11] The problem thus defined, Gorbachev attempts to design his nationalities policy in the broader context of constitutional reform, democratization, and devolution of political and economic powers to the republic and local level. The very essence of the Soviet state system is under review, as the Soviet leadership constructs various blueprints for the creation of a "completely new federation."[12]

Gorbachev has presented a package of measures specifically designed to consolidate the political and

[5]"Draft Nationalities Policy of the Party Under Present Conditions, adopted by the CPSU Central Committee Plenum, Sept. 20, 1989" (hereafter, *CPSU Nationalities Platform*), ibid., Sept. 24, 1989.

[6]Mikhail Gorbachev, "The Fate of *Perestroyka* Is in the Unity of the Party—Report at the CPSU Central Committee Plenum on December 25, 1989" (hereafter, *Fate*), ibid., Dec. 26, 1989. For a discussion of Lenin's original conception of national sovereignty and self-determination and its subsequent "deformation," see V. D. Zotov, "The Nationalities Issue: Deformities of the Past," *Kommunist* (Moscow), No. 3, February 1989, pp. 79–89; A. Zharnikov, "National Self-Determination: Concept and Implementation," ibid., No. 9, June 1989, pp. 58–63.

[7]In *Sovetskaya Molodezh'* (Riga), July 7, 1989.

[8]See the report on the Georgian Supreme Soviet's debate on the events leading to the "de facto annexation of Georgia" in *Izvestiya* (Moscow), Nov. 21, 1989.

[9]In addition to Estonia, Latvia, and Lithuania in their boundaries of 1939, the two secret protocols to the Soviet-German Nonaggression Pact, which included maps delineating Soviet and German spheres of control, cover the Romanian territory of Bessarabia (Moldavia), Finnish Karelia, and the western parts of Belorussia and Ukraine (formerly under Polish control).

[10]*CPSU Nationalities Platform*, loc. cit.

[11]See N. Mikhaleva and Sh. Panidze, "Federal Union," *Pravda*, July 12, 1989. Their positions were disputed by R. Gudaitis and B. Genzelis, "So Who Does Know the Formula?" ibid., July 26, 1989, and I. Gryazin, "Is It a Question of Federalism?" ibid., July 26, 1989. N. Mikhaleva replied in "The Fate of Our Federation," loc. cit. See also V. Koroteyeva, L. Perepelkin, and O. Shkaratan, "From Bureaucratic Centralism toward the Economic Integration of Sovereign Republics," *Kommunist*, No. 15, October 1988, pp. 22–33; E. Tavosyan, "Soviet Federalism: Chains Against Progress," ibid., No. 13, August 1989, pp. 48–49; Yu. Bromley, director of the USSR Academy of Sciences Ethnography Institute, "Not a Return to Confederation but Development of the Federation," in *Sovetskaya Latviya* (Riga), Oct. 21, 1989.

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economic independence of the republics and thus to reinforce the federation. In particular, he intends (1) to extend the jurisdiction and autonomous powers of the union republics and to establish their full autonomy and responsibility in economic, social, and cultural spheres; (2) to draw clearer lines between the jurisdictions of the central authorities and those of the republics; and (3) to improve the representation and participation of the republics in decision-making at the all-Union level.[13] The Soviet President seems intent on establishing a loose federation that would put the republics on an equal basis and give them more self-determination.[14] Such a transition to a "true federation" would require a radical transformation of the Soviet Union, its ideology, constitution, and institutions. Gorbachev, the lawyer, stresses that this restructuring should be achieved by legal means, within the existing constitutional framework.[15]

The agenda of the Congress of People's Deputies envisages three stages of constitutional reform. The first stage, which has been almost completed, addresses the reorganization of the legislative bodies at the all-Union level. In the current, second, stage, the Congress is redefining the relationship between the central authorities and the republics. The third stage will focus on local government. The on-going constitutional reform and the flood of new laws are thus supposed to lay the "legal base under the edifice of the federation."[16]

The View from Below

Recent developments in the Baltic republics and in other regions clearly demonstrate, however, that Gorbachev's policy of federalization has run into a dead end. The periphery sets the agenda on this question, to which Moscow is just reacting or not acting at all. Gorbachev's program has constantly been lagging behind the escalating demands of the republics. When Baltic politicians pressed for a renewal of the federation in 1988, he gave vague promises of political decentralization and economic self-management. In fact, the first stage of constitutional reform resulted in a further strengthening of the central authorities, contrary to his original promises. He met the subsequent Baltic quest for a "loose federation" or "confederation" with promises to renew the federation. Yet the CPSU plenum on nationalities questions planned for early 1989 was repeatedly postponed, and the results of the September 1989 meeting were less than impressive. No timetable was set, no mandate given, and few specific steps were taken to implement the plenum's agenda.[17]

The debate on the second stage of constitutional reform—which was to lay the foundation for a new federative state structure—scheduled for the December 1989 session of the Congress of People's Deputies, was postponed. Instead, President Gorbachev, Prime Minister Nikolay Ryzhkov, and others started to contradict or qualify earlier statements on the future shape of the Soviet state, thereby putting into question their commitment to a "true federation." In an appeal to the Soviet people, the CPSU Central Committee warned against "too hasty steps of constitutional reform."[18] Only in early 1990, after the dramatic developments in the Transcaucasus and after the Lithuanian and Estonian parliaments devised plans for achieving full independence, did the Soviet leadership propose specific measures for reforming the national-state structure.

Kazimiera Prunskiene, prime minister of Lithuania, told Gorbachev: "imagine how skeptical we are of a new Union whose plan we have never seen."[19] Vaino Väljas, leader of the Communist Party of Estonia, dismissed Gorbachev's federalization program as a set of

[12]The most important ones are the "Resolution on Interethnic Relations" passed by the 19th Party Conference on July 1, 1988 (hereafter, *CPSU Resolution*) in *Materials of the 19th All-Union Conference of the CPSU*, Moscow, Politizdat, 1988, pp. 146–51; the "Draft General Principles for Restructuring the Leadership of the Economy and the Social Sphere in the Union Republics on the Basis of Broadening Their Sovereign Rights, Self-Management, and Self-Financing" submitted by the Council of Ministers on March 14, 1989, *Pravda*, Mar. 14, 1989; *CPSU Nationalities Platform*, loc. cit.; and the section on the nationalities question in the Platform for the 28th CPSU Congress, adopted on Feb. 11, 1990, *Pravda*, Feb. 13, 1990.

[13]*CPSU Resolution*.

[14]Some Soviet commentators suggest that Gorbachev's philosophy of rebuilding the Soviet federation can be closely related to his "new thinking" in international affairs. The Soviet leadership's declared commitment to a balance of interests, a peaceful resolution of conflicts, and the supreme rule of law is also relevant for Moscow's relationship with its own periphery. The vision of a "common European home" can be equated with that of a "common Soviet home." See O. Redzhepova, "In Search of Balance," *Sovetskaya Kul'tura* (Moscow), Sept. 16, 1989. Politicians in the Baltic republics and elsewhere have, in turn, made a virtue out of justifying their demands with postulates of Gorbachev's foreign policy.

[15]"Speech by M. S. Gorbachev to the Congress of People's Deputies," *Pravda*, Dec. 13, 1989.

[16]Gorbachev, *Fate*.

[17]The Central Committee Secretariat, the Supreme Soviet, and a series of commissions and working groups were charged with "studying the problem" and "working out a program of concrete actions." *Pravda*, Oct. 6, 1989. A new Department of National Relations under A. N. Girenko was created in the Central Committee apparatus. See his interview in ibid., Nov. 30, 1989.

[18]Ibid., Dec. 12, 1989. In Gorbachev's words, limits "beyond which one must not go must be clearly outlined, for going beyond them means a preprogrammed disruption of efforts to build the federation: if you like, a disruption of *perestroyka* as a whole." There seems to be a clear, yet constantly shifting, line between orthodoxy and heresy on the issue of federalism. See Gorbachev, *Fate*.

[19]Quoted in *The New York Times*, Jan. 14, 1990.

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At a February 25, 1990, pre-election rally in Kiev organized by the Popular Movement for Restructuring (Rukh), a banner declares: "Soviet Empire—No!"

—Courtesy of *The Ukrainian Weekly*.

"half-hearted semi-restructuring measures," too little, too late.[20]

Meanwhile, the pressure for a reform of the center-periphery relationship is mounting in the Soviet republics outside the Baltic area. The boldness of the Baltic avant-garde, the events in Eastern Europe, Moscow's use of force in Tbilisi and Baku have had a significant spillover effect on the other republics, where a myriad of grass-roots organizations have emerged. These highly heterogeneous movements incorporate a broad spectrum of political views and convictions. At the moment, they seem to be concentrating on the newly elected local and republic parliaments, in the hope of furthering their cause by gaining control over parts of the republic government and the communist party.

In Ukraine, the Democratic Bloc, a broad coalition of forces including the Popular Movement for Restructuring (*Rukh*), demands "genuine political and economic sovereignty."[21] Some members of the Democratic Bloc—including members of *Rukh*, the Ukrainian Helsinki Union, the National Party, and the National Democratic League—openly advocate a separatist agenda.[22] In February, a group of USSR people's deputies from Ukraine submitted a memorandum to Gorbachev calling for a renewal of the Union treaty on the basis of confederative ties.[23] And even Ukraine's Party First Secretary Volodymyr Ivashko has noticeably stepped up his calls for increased Ukrainian sovereignty within a renewed federation.[24] After the strong showing of the opposition in the republic elections in March 1990, pressures for economic and political autonomy and a renewal of the federal institutions are likely to increase. The agendas of the Ukrainian party's reform wing and of the moderate forces of the Democratic Bloc have much in common and thus provide the possibility for an alliance between the popular front and reformist communists as emerged in the Baltic republics.

In neighboring Belorussia, the Popular Front *Adradzhen'ne* (Renewal) describes the republic as a "semi-colony that supplies the center," calls for the rebirth of the Belorussian nation, and advocates complete independence.[25] The Moldavian Popular Front has so far refrained from calls for a unification with Romania. It does agree, however, with the Communist Party of Moldavia that the sovereignty of the republic has to be restored, and that only limited powers are to be delegated to the Union authorities.[26]

In Georgia, the popular movement is split among a

[20]"Speech by V. Väljas, first secretary of the Communist Party of Estonia, at the CPSU Central Committee Plenum, September 19, 1989," *Sovetskaya Estoniya* (Tallinn), Sept. 22, 1989.

[21]See David Marples, "The Ukrainian Election Campaign: The Opposition," Radio Free Europe-Radio Liberty (hereafter, RFE-RL), *Report on the USSR* (Munich), Mar. 9, 1990, pp. 17–18. Economic autonomy is particularly important for Ukraine, since 95 percent of its industrial enterprises remain under Union control.

[22]In January, Ukrainian separatists met in Jūrmala, Latvia, to discuss "Problems of Ukrainian State Independence and Ways to Achieve It." See *Atmoda* (Riga), Feb. 12, 1990, p. 7.

[23]*Neue Zürcher Zeitung* (Zurich), Mar. 25–26, 1990.

[24]See *Pravda Ukrainy* (Kiev), Dec. 3, 1989.

[25]See Jury Sienkowski and Kathleen Mihalisko, "Demonstrators Call for Free Belorussia," RFE-RL, *Report on the USSR*, Mar. 9, 1990, pp. 18–19.

[26]TASS, Mar. 3, 1990.

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dozen groups, including historical parties originating in the brief period of independence. The republic communist party has elaborated plans for the restructuring of political and economic ties in a loose federation.[27] On March 9, 1990, the republic's Supreme Soviet condemned Georgia's forcible annexation to the USSR in 1922 and called for talks on the restoration of its sovereignty.[28] In Armenia and Azerbaijan, the moderate wings of the popular movements call for more autonomy and self-determination, while radical groups advocate outright independence from Moscow. The military intervention in Baku in January 1990 seems to have strengthened secessionist and irredentist forces.

In Central Asia, a heterogeneous mixture of national groups and movements has emerged, and some political movements from the pre-Soviet era have revived. Salient issues include economic problems arising from single-crop cultivation, neglect of national languages and cultures, religion, and the environment. The degree of organization and mobilization is much lower than in the western and southern republics; the focus of the movements is limited mainly to local and regional levels. Yet the anti-establishment sentiments are strong, and the potential for spontaneous social unrest is high. In Kazakhstan, the nascent opposition group *Adilet* (Justice) calls for more autonomy at the local and regional level. The Kirghiz popular movement *Ashar* also advocates increased economic autonomy. In Uzbekistan, the main nationalist movement, *Birlik* (Unity), propagates national revival and independence. A moderate wing has reportedly split away and formed a new group, *Erk* (Will). Its program calls for greater economic and political autonomy within the framework of a renewed federation.[29] The Tajik movement *Rastakhiz* (Renaissance), which played a prominent role as mediator in the Dushanbe disturbances, advocates more economic autonomy within a federation. In Turkmenistan, the newly formed *Agzybirlik* (Unity) seems to pursue an agenda similar to that of its Uzbek namesake.[30]

While the various regional movements share common characteristics, namely, the demand for a multiparty system and increased autonomy, there is little consultation and coordination on the specific demands.[31] So far, local strength has not been translated into organized influence at the all-Union level. The main advocates for a transformation of the USSR into a loose federation of equal, sovereign states are the reformist forces within the republic communist parties, which seem to have gained in strength in the recent parliamentary elections. None of the dominant, grass-roots forces among the major nationalities, including the Ukrainians, are demanding outright secession. Thus, in most regions, Gorbachev still has a chance of winning over the moderate and isolating the radical forces. If he can demonstrate that national dignity, genuine sovereignty, and economic improvement can be achieved within a revised federal structure, the domino effect of Baltic separatism can be contained.

The decisive question is whether the Russian majority will accept a diminution of its role as primus inter pares in a renewed federation. In an obvious attempt not to stir up Russian nationalist feelings in their own ranks, even the Interregional Group of Deputies, Democratic Russia, and other liberal movements take relatively vague, neutral positions on the federation. The Democratic Platform Group within the CPSU, for instance, calls in very general terms for "the transition from the principle of a unitary state toward a voluntary union of peoples."[32] Some Russians are publicly considering the prospects of a rapidly changed structure of the Soviet Union. Economist Vasiliy Selyunin soberly contemplates the dissolution of the USSR in its current composition and the emergence of "a new, much looser confederation" consisting of Russia, Ukraine, Belorussia, Georgia, Armenia, and perhaps Moldavia.[33] Conservative Russians such as Eduard Volodin or Valentin Rasputin call for the secession of the RSFSR from, or the dissolution of, the Union so that Russia can concentrate on putting its own house into order without

[27] *Pravda*, Feb. 1, 1990.

[28] *The New York Times*, Mar. 10, 1990.

[29] TASS, Feb. 27, 1990.

[30] Annette Bohr, "Turkmenistan under Perestroika: An Overview," RFE-RL, *Report on the USSR*, Mar. 23, 1990, pp. 20–30.

[31] In 1988 and 1989, the Baltic states offered a safe haven, political advice, and logistical support to movements from other republics still harassed and persecuted by their authorities. In 1990, the Baltic Council, a coordinating body of the popular fronts from Estonia, Latvia, and Lithuania, acted as mediator in the attempt to negotiate the conflict over Nagorno-Karabakh between the popular fronts of Armenia and Azerbaijan. After initial talks broke down, the Georgian popular front stepped in as go-between. The Tbilisi talks continue; they have produced various ceasefires and exchanges of prisoners and hostages. These diplomatic efforts have demonstrated that the popular fronts are capable of organizing and communicating outside the traditional channels of the Soviet system.

[32] Published in English in *The New York Review of Books* (New York), Mar. 29, 1990, p. 27. Sakharov advocated a constitutional restructuring based on the principles of full equality, independence, and voluntary association (interview in *Komsomolskaya Pravda* [Moscow], Dec. 16, 1989). Yel'tsin favors a loose federation, with those republics that remain in the union having maximum independence and with the center retaining only some functions of strategic planning (interview in *Sovetskaya Estoniya*, Feb. 20, 1990). Yet, federalism is but an aspect of the democratization advocated by these reform groups. Their calls for a better division of powers, checks and balances, pluralism, democratic parliamentarism, decentralization, and self-government coincide with many demands of pro-independence forces in the republics. Many of their chief proponents belong to the Interregional Group of Deputies and other democratic alliances.

[33] *The Boston Sunday Globe*, Jan. 28, 1990.

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the ballast of the other republics.[34]

Most Russian nationalists, however, insist on the preservation of the territorial integrity of the USSR. Organizations such as the RSFSR writers' union, the workers' councils, and conservative publications such as *Nash Sovremennik, Molodaya Gvardiya,* or *Moskva* have suddenly turned into supporters of "true federalism." Non-indigenous Russians in the Baltic republics and elsewhere have formed their own organizations to oppose local demands for secession and support a renewal of the federation.[35] The controversial notion of a renewed federation has become the battle line for conservative Russians living inside and outside the RSFSR.

Whether the RSFSR will voluntarily give up its traditional hegemony remains to be seen. The steps toward democratization, decentralization, de-étatization, and federation suggested up to now would undoubtedly result in a comparative decline of the economic and political role of Russia proper and in the strengthening of the non-Russian republics. The RSFSR thus becomes a relative loser in the processes of *perestroyka* and *glasnost'*. The most outspoken criticism of Gorbachev's program originates in the Russian heartland—in such places as Leningrad, Stavropol', or the Urals.

Renewal of the Union Treaty

Confronted with these escalating demands, Gorbachev has announced that he will use his new office of the presidency to prepare a new treaty of union (*soyuznyy dogovor*).[36] The form of this new federal contract remains unspecified. The CPSU Nationalities Platform has rejected the idea of a formal treaty comparable to the Treaty on the Formation of the USSR signed on December 30, 1922. Instead, the party suggested the elaboration of a "Declaration on the Union," which would form an organic part of the constitution, but would essentially be a political, rather than a legal document. In the eyes of its opponents, such a political declaration would be a cheap alternative to substantive constitutional reform as envisaged in the proposed Law on Federation (see below). Some voices suggest the dissolution of the old USSR and the creation of a new union, under which each republic would have to decide whether and under what conditions it would rejoin the Soviet federation.

The idea that the USSR will have to return to square one of federation-building raises some fundamental questions. Traditional theories treat federalism within the context of nation- or empire-building.[37] Yet the Soviet Union is currently heading in the opposite direction, i.e., toward the disintegration of a multinational state structure, the dissolution of an empire. As Gorbachev concedes:

What we must do is win over the federation all over again, by restoring mutual trust and a realization of the advantages of integration. Good relations cannot be established by command or force. What lies ahead is lengthy and painstaking work.[38]

While Gorbachev has been highly successful in convincing an international audience of the existence of a global community confronted with common problems and sharing all-human values and interests, domestically, he has been unable to further a sense of commonwealth and of a common future within a Soviet federation. The perception of a common threat is evaporating. The traditional role of the Union as a security alliance is declining. While the rest of Europe is progressing toward integration, the desire for closer political, legal, and economic relations between the center and the periphery seems to be declining in the USSR. In the eyes of many proponents of local self-determination, the ties with Moscow are an obstacle to, rather than a catalyst for, change. Separation rather than integration appears to many as a panacea.

Despite the signs of a gradual disintegration of the internal empire, of a collapse of its socio-economic basis, in short, of a systemic crisis in the USSR, Gorbachev expresses his "unbridled optimism regarding the future of our multi-ethnic federal state . . . the renewal of our federation and its replenishment with new content."[39] In his view, the nations of the Soviet Union are united by historical ties; share the dogma and the internationalist tradition of a political movement; rely on a division

[34]"The New Russia in a Changing World," *Literaturnaya Rossiya* (Moscow), Jan. 26, 1990, pp. 3–4, quoted in John Dunlop, "Ethnic Russians on Possible Breakup of the USSR," RFE-RL, *Report on the USSR,* Mar. 2, 1990, pp. 16–17.

[35]Party members from the Baltic republics, Belorussia, and the RSFSR have created a "Renewed Federation" council. Georgiy Komarov, a Russian deputy from Kirgizia, has set up a "Soyuz" group in the Supreme Soviet whose aim is to resist "the breakup of the Soviet Union." Except for advocating a strong center and denouncing local pro-independence activists, these conservative organizations offer few ideas about how to revive the federation. See *Sovetskaya Latviya,* Jan. 24, 1990; TASS, Feb. 24, 1990.

[36]*Pravda,* Mar. 16, 1990. Gorbachev had previously rejected the idea of drawing up a new treaty of union, since this would be tantamount to acknowledging that the USSR is not a voluntary union of sovereign republics. At the February 1990 CPSU Central Committee plenum, various leaders of republic parties, Foreign Minister Eduard Shevardnadze, and his deputy A. Kovalev came out in support of the idea. See Ann Sheehy, "Is Moscow Considering a New Treaty of Union?" RFE-RL, *Report on the USSR,* Feb. 16, 1990, pp. 9–11.

[37]See the discussion in W. H. Riker, *Federalism: Origin, Operation, Significance,* Boston, Little, Brown & Co., 1964, pp. 5ff.

[38]Gorbachev, *Fate.*

[39]Ibid.

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of labor in a highly institutionalized, integrated "national economic complex"; depend on the central authorities for resource allocations, investments, subsidies, and grants-in-aid; and enjoy the diplomatic, economic, and military advantages that accrue to a superpower. To cut these ties would mean to "dissect a living body."[40] In Gorbachev's view, secession from the existing institutions would thus involve considerable costs and risks for the republics, as he recently told the Lithuanians:

Think a thousand times before embarking on an independent drift, without a compass, without a map, reserves of fuel and a competent crew. You cannot drop people on an iceberg and say, "Let them swim."[41]

Yet, rational cost-benefit considerations of political and economic independence, risk avoidance, security, and stability have been poor predictors of change, both in the Third World and Eastern Europe. Moreover, given the progressive decline of the Soviet economy and the gradual disintegration of the traditional institutions, the cost-benefit equations are rapidly changing. The benefits of the old system are disappearing, while the advantages of the new system are not yet visible. Caught between the wreckage of a discredited past and the promise of an uncertain future, Gorbachev is thus facing the difficult task of dismantling the old federal system and giving new content to the notion of the Union without sacrificing the stability and territorial integrity of the country.

Secession. Pressed by developments in the Baltic republics, Gorbachev seems to have opened the door for all republics to leave the Union, but in due time and on his own terms. A law on secession, currently under debate in the USSR Supreme Soviet, defines the disengagement procedures, which include a referendum requiring a two-thirds majority of the population in the republic to vote in favor of independence, a five-year waiting period, and potentially daunting conditions such as huge compensatory payments to the Union by the seceding republic. In the case of Lithuania, Gorbachev has spelled out the price tag attached to independence: territorial claims regarding Klaipėda and Druskininkai near the Belorussian border, more than 21 billion rubles' compensation for investments, outstanding taxes and deliveries, and relocation costs for minorities leaving Lithuania.[42] The obvious aim of this exercise is to bargain for time and to try to frighten the republics into ending their drive for independence. Gorbachev continues to emphasize the importance of "territorial integrity" and to warn that "secession today means to blow up the Union, to set the people against each other, and to sow conflict and blood and death."[43]

Federation or confederation? Given the heterogeneous nature of the USSR, the centrifugal forces work at different speeds in the various regions. The Soviet leadership thus faces the difficult task of seeking agreement on a status of the Union and its jurisdiction acceptable to all the union republics and best suited to accommodate a variety of interests and expectations. Gorbachev envisages a "differentiation of federal ties."[44] Under common principles, the place of each republic in a renewed federation "will be unique to itself, taking into account the specifics of the region, each people, their culture and traditions." The Soviet President stresses that "it is better for the center to overdo the concessions to national groupings than underdo them."[45]

Federation, "loose federation," and confederation are the models most discussed, the first being mainly proposed by the Soviet leadership, the latter two by popular fronts in the Transcaucasus, Moldavia, and Ukraine. In Soviet discussions, federation and confederation are frequently described as opposites.[46] It should be noted, however, that the line between a federation and a confederation is fluid, the difference a matter of degree rather than of clearly discernible and mutually exclusive characteristics. In a federation, the member-states delegate relatively more powers to the central authorities than in a confederation. A confederation is not necessarily bound by a common constitution, the legislation of the member-states retains supremacy over confederal law, the states retain their

[40]Quoted in *The New York Times*, July 2, 1989.

[41]Speech to the Communist Party of Lithuania, January 13, 1990, quoted in ibid., Jan. 14, 1990.

[42]Ibid., Mar. 8, 1990. Politicians, legal experts, and historians in the Baltics challenge these secession procedures on moral and legal grounds. Since their occupied territories had been annexed by force and their membership in the Union is null and void, their dissociation from the USSR is considered an act of international law, not subject to Soviet legislation on secession.

[43]"Speech by M. S. Gorbachev, First Secretary of the CPSU, at the CPSU Central Committee Special Plenary Session on December 26, 1989," *Pravda*, Dec. 27, 1989.

[44]Ibid., Mar. 16, 1990. See the Platform for the 28th CPSU Congress, ibid., Feb. 13, 1990.

[45]Gorbachev, *Fate*.

[46]See Zotov, loc. cit. pp. 79–89; Zharnikov, loc. cit., pp. 58–67. The respective terms in German, *Bundesstaat* (federation, literally, federation of states) and *Staatenbund* (confederation, states in federation), illustrate the gradational differences. In the former, the emphasis is on the center, the federal level; in the latter, it is on the member states.

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At left, a sign on a tent in Vilnius occupied by Lithuanians staging a hunger strike in August 1988 in support of national independence declares: "The greatest tyranny is that executed under the cover of operating laws"; at right, part of an estimated 20,000 ethnic Russians rallying in Tallinn, Estonia, on March 14, 1989, under the aegis of the United Workers Councils of Estonia and the International Movement of Working People of Estonia to protest "anti-Russian" policies of the Estonian government; the banner in the foreground reads: "No laws without discussion by all nations."

—Photos courtesy of Alfred E. Senn and from TASS via Reuters/Bettmann Newsphotos.

treaty-making powers, and they exercise exclusive or joint control over the armed forces.

A flexible framework of federalization could allow Gorbachev to grant extensive autonomy to the independence-minded Baltic republics, say in the form of a confederation or federacy, while retaining closer ties with Ukraine, Siberia, and other parts of the Soviet heartland, and maintaining tight control over the restive Central Asian republics.[47]

However, such a selective, ad hoc approach to federalization poses serious problems. First, a mixture of federative structures would have to be unified in a single constitutional framework. Hence, a selective approach to federalization would nevertheless require substantial constitutional reforms and adjustments in the state structure. Second, it would be difficult to grant special status to some republics without sparking demands for similar treatment by other republics or nationalities. Federations are built on the assumption of equal rights and obligations of the constituent states. The Soviet heartland is likely to be quite sensitive about special favors extended to the periphery. And it is the attitude of the Russian majority that will have a decisive influence over the future shape of the federation. The smaller union republics will also face increased political competition from entities with stronger economies and larger populations at the level of the autonomous republic and below.[48] A reform of the federative structure will have to address the question of how to deal with these demographic and economic imbalances and how to accommodate particularities at all levels without weakening the privileged position of the sovereign member states of the USSR.

Some Soviet specialists suggest a refinement of the criteria for defining the basic entities constituting the federation. Yulian Bromley suggested the break-up of

[47]The relationship between the USA and Puerto Rico, Denmark and the Faroe Islands, Switzerland and Liechtenstein, or 19th-century Russia and the Duchy of Finland can be described as federacy or associated state federalism. See the discussion of various models of federal association in the field of politics, economy, and churches in I. Duchacek, *Comparative Federalism: The Territorial Dimension of Politics*, Lanham, MD. University Press of America, 1987, pp. 18ff.

[48]Krasnoyarsk territory alone is vaster than the Baltic states, the Transcaucasus, and Central Asia put together. In terms of population and economic potential, some autonomous republics (the Tatar and Bashkir ASSR's) are larger than some union republics (Estonia, Latvia, Moldavia). And some oblasts (Moscow, Leningrad, Sverdlovsk) and territories (Krasnodar, Krasnoyarsk) are comparable to entire regions.

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the RSFSR into three or four republics.[49] The geographer Vladimir Sokolov proposed the creation of 50 union republics, representing the main economic and demographic centers and most of the ethnic groups and nationalities, by upgrading the status of existing sub-republic units. The giant RSFSR would be split up into European Russia, the Urals, Western Siberia, Eastern Siberia, the Far East, Transbaykal, and an array of ethnic homelands with union-republic status.[50] Another suggestion was to strengthen the status of the *krays* and oblasts, thereby creating a system of politically and economically autonomous "village-states" (*khutor-gosudarstva*), which would form the constituent units of the federation.[51] Every reorganization in the status and borders of the existing political entities would likely open a Pandora's box of ethnic grievances and further complicate an already complex situation.

The dispute between the center and the periphery is in essence a debate over the degree of sovereignty (*polnovlastiye*) and self-determination (*samoopredeleniye*) of the republics. Both in theory and in practice, the idea of sovereign republics conflicts with the notion of a sovereign union. In Soviet discussions, this conflict is often covered up by slogans such as "combining national and international interests," "equality of all people, equality of all peoples," and "strong center—strong republics."[52] This basic difficulty in reconciling traditional notions of sovereignty with federative structures is not unique to the Soviet Union; it also finds expression in competing doctrines of sovereignty in Western literature on federalism.

How to reconcile the conflicting sovereignties and what sovereignty means in operational terms is widely disputed. The CPSU Nationalities Platform refers to the "Leninist principle of national self-determination," defined as "a complex, multi-layered process of the affirmation of national dignity, the strengthening of political and economic autonomy, and the development of language and culture . . . best expressed as self-management."[53] Advocates of greater independence have a much broader conception of sovereignty and self-determination. For some, sovereignty means autonomy or self-rule within the framework of the Soviet Union, i.e., more jurisdiction and self-government for republic and local governments. For others, sovereignty denotes the achievement of independent statehood.

The Redistribution of Powers

The redistribution of powers between the center and the republics is therefore the key issue in the periphery's quest for more sovereignty. It also is at the heart of Gorbachev's program for the renewal of the federation. In the words of the Soviet President, the clear delineation of powers of central and republic bodies "will enable the latter to decide all issues of their life on their own, except issues which they will voluntarily delegate to the jurisdiction of the Union and in the resolution of which they will, incidentally, take part as well through respective political mechanisms."[54]

In Western federations, the division of powers rests on three pillars: the explicit, unambiguous enumeration of powers assigned to the federal authorities and the member-states respectively; the regulation of cases of concurrent competencies; and the existence of independent procedures for enforcement and adjudication of these federal agreements. A renewal of the Soviet federation requires substantial adjustments in all three regards. The USSR has already taken major steps toward giving greater responsibility to the republics in economic, fiscal, and social matters. The Law on Land, the Law on Property, and the Law on Socialist Enterprises further extend the room for self-management and entrepreneurial initiative and provide the USSR's regions with opportunities to extend their economic autonomy and viability. A new feature is that recent legislation at the all-Union level defines only the basic framework, the "fundamentals," leaving the republics considerable freedom to shape their own laws according to local conditions and aspirations.[55]

Law on the federation. The Supreme Soviet is currently debating the Law on the Foundations of Economic Relations in the USSR, the Union Republics, and the Autonomous Republics, which is supposed to create the basis for a "fundamentally new intra-Union relationship" in the economy and social sphere. The law forms the key part of the second stage of constitutional reform, namely, the revision of Section III of the constitution, which regulates the distribution of powers within the federation and is therefore dubbed the Law on the

[49]"Not a Return to Confederation But Development of the Federation," *Sovetskaya Latviya*, Oct. 21, 1989. In his election platform, Boris Yel'tsin suggested the creation of four economic regions in the RSFSR.

[50]"Democracy and Borders," *Literaturnaya Gazeta* (Moscow), Aug. 2, 1989.

[51]K. Lagutin, quoted in *Pravda*, Nov. 9, 1989.

[52]*CPSU Nationalities Platform*, loc. cit., Yu. Maslyukov, candidate member of the CPSU Politburo and chairman of the USSR Gosplan, "Strong Center—Strong Republics," ibid., Mar. 23, 1989.

[53]*CPSU Nationalities Platform*, loc. cit., See the extensive discussion of the notion of national self-determination in Zharnikov, loc. cit., pp. 63–67.

[54]"Report by M. S. Gorbachev on the Party's Nationalities Policy at the CPSU Central Committee Plenum, September 19, 1989" (hereafter, *Report*), *Pravda*, Sept. 20, 1989.

[55]See Article 14 of the "Fundamental Legislation of the USSR and the Union Republics on Land," *Izvestiya*, Mar. 7, 1990.

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Federation. It prescribes the transition of all republics to economic independence and cost-accounting (*khozraschet*) by 1991. The republics are supposed to have jurisdiction over a broad range of economic and social activities, establish their own budgets, levy some taxes, introduce their own banking system, manage industries previously run by Union ministries, participate on a voluntary basis in all-Union programs, and engage independently in international economic relations.[56] Contractual forms of cooperation between the center and the republics and between individual republics are to have a greater role.

Instead of the traditional regulation of the rights of the republics, the draft limits the competence of the Union and establishes exclusive, inalienable rights for the republics. It is thus based on the assumption of noncentralization, and not—as before—on decentralization from the center. This is in accordance with Article 76 of the USSR Constitution, which has always stipulated that the sovereignty of each republic is limited only in the spheres that are explicitly delegated to the Union. At least in theory, the new legislation attempts to rebuild the pyramid of governmental powers from the bottom to the top. Republics will have the right to suspend decisions by the central authorities that run counter to the law. This provides for a limited supremacy of republic legislation in areas where the republics have exclusive jurisdiction.

In practice, however, as the experience of Estonia, Latvia, and Lithuania with regional *khozraschet* demonstrates, the center's continued reliance on central planning and so-called administrative-command methods conflicts in many respects with the notion of greater economic autonomy granted to the republics. The blueprint for the 1991–95 five-year plan presented by Prime Minister Ryzhkov puts the program of economic decentralization into question. Remarkably, regional autonomy receives only passing attention in Deputy Prime Minister Leonid Abalkin's reform program.[57]

The main obstacle to meaningful economic autonomy is thus the chaotic nature and inconsistency of economic reform in the USSR. Without coherent institutional reform, no diffusion of the power of the central apparatus can occur. The central ministries controlling individual sectors of the economy are not yet abolished. In the Baltic republics, the central ministries continue to control a substantial segment of the economy, namely, enterprises and utilities of "all-Union significance," including power plants, pipelines, railways, shipping lines, and other key industries.

Moreover, the demarcation of the responsibilities between the center and the republics remains ambiguous. Disputes over overlapping competencies abound and make the transition more conflictual than it need be. The Presidium of the Supreme Soviet has interfered repeatedly, for example, by instructing the Baltic republics to adjust pricing, budgetary, and social measures to all-Union legislation.[58] Despite provisions allowing the Baltic republics to set up their own banking and credit system, the Central State Bank announced last December that it was taking full control over savings deposits in the Baltic republics to prevent the republics from using this money to introduce their own currency. In March of this year, the central authorities imposed strict controls on banking activities in the Baltic republics by reinstating central supervision over financial transactions of Baltic banks, declaring checks signed in the Baltic republics as invalid, and, in effect, vetoing joint commercial ventures.[59]

The rapid transition to republic *khozraschet* seems to be driven by political, not economic, considerations. It has to be realized in the absence of a functioning market and in conditions of economic stagnation, inflation, and scarce supplies. Current attempts to protect local markets through the prohibition on selling scarce items to "outside buyers," the setting up of local customs checkpoints, or the introduction of local currencies and surrogate money in the form of certificates are signs that the "national economic complex" is disintegrating into quasi-autarkic entities, or what the Estonian economist Mikhail Bronshteyn calls "closed economic systems at the republic level."[60] Volodymyr Ivashko, first secretary of the Communist Party of Ukraine, complains that "contractual discipline has collapsed like a house of cards." The situation in the economy is such, he continues, "that our republic is compelled, already at this stage, to take measures on its own in order to

[56]On January 1, 1990, Estonia, Latvia, and Lithuania introduced republic cost-accounting. The Tatar Autonomous Soviet Socialist Republic, Moscow, and Sverdlovsk oblast have similar arrangements. Limited economic autonomy allows these regions to race ahead, denationalizing assets and freeing locally-set prices more rapidly than other regions. The Supreme Soviet of the Lithuanian SSR, for instance, has adopted laws that allow unrestricted private ownership and free enterprise. In Latvia and Estonia, the number of independent peasants is surpassing the number employed by state farms. And in Estonia, some prices have been deregulated, creating the conditions for marketization.

[57]*Ekonomicheskaya Gazeta* (Moscow), No. 43, 1989, pp. 4–7.

[58]*Pravda*, Jan. 17, 1990.

[59]Deutsche Presse Agentur, Mar. 1, 1990. The Bank of Estonia, for instance, has announced that it will issue its own currency in December 1990. The gold-backed, freely convertible Esti kroon is supposed to jumpstart economic reform and to protect domestic markets against excessive purchasing by consumers from other republics. Such republic currencies stand for the second currency advocated by some economists. Properly managed, they could contribute to monetization and accelerate, rather than impede, economic reforms.

[60]*Izvestiya*, Feb. 21, 1990.

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protect economically its own interests both from the arbitrariness of departments and from our unobliging partners in other regions of the country. This is not us shouting: Save yourselves in any way you can—it is, unfortunately, severe reality."[61]

Interregional conflicts, manifestations of localism (*mestnichestvo*), and mutual recriminations over the value of services and deliveries are increasing, as each region strives to protect relative advantages and privileges. At the second meeting of the Congress of People's Deputies, the Russian Vera Matyukha claimed that 40 billion rubles annually are appropriated from the RSFSR's funds in favor of other republics as a result of nonequivalent trade. Deputies from Central Asia riposted by talking about the enormous losses inflicted on their republics due to artificially low cotton prices and the single-crop economy imposed by the center. And there are also "resentful regions" within the RSFSR, such as Chechen-Ingush, the Komi ASSR, or northern Siberia—areas which are the richest in resources—that are facing social, economic, and ecological disaster. In the absence of a real market system, including wholesale trade and pricing mechanisms, this "bill" of intra-Union trade can never be fully settled, yet there will always be forces ready to exploit the tensions over mutual claims and demands. The current debate on "equivalent exchange" is likely to result in further disruptions, inflationary price wars, delivery boycotts, and economic warfare among the various regions.[62] Competition on economic issues, not unity of interests and views, characterizes the individual regions and republics, a fact that can easily be exploited by central bureaucracies.

The mounting centrifugal tendencies are to a considerable degree a direct consequence of the current socio-economic situation. The result is an explosive fusion of political and ethnic demands with economic grievances. The collapse of the national economic complex seems to be preceding the political collapse of the federation. The renewal of the Union, in turn, largely depends on the success of economic reform and the transformation of the system into a market economy.

Economic community. If properly implemented, economic self-management by the republics and regions could have a profound impact on the structure of the Soviet state. It would change the traditional approach to macro-economic management and give the notion of (economic) sovereignty new content.[63] The decentralization of economic power would also reinforce tendencies toward a horizontal integration of the Soviet republics. The principle of centralized allocation of resources is gradually to be replaced by direct trade relations among individual republics, regions, and enterprises. Decentralized relations include the use of contractual prices, the auctioning of republic commodities, direct industrial cooperation among enterprises, division of labor, and the creation of trading firms, commercial centers, and trading offices in other regions of the country. The economist Bronshteyn suggests the creation of an economic union modeled on the institutions and mechanisms of the European Community.[64] The promotion of such horizontal relations would reinforce the perception of mutual interests and interdependence and strengthen the perception of commonwealth (*sodruzhestvo*). Gorbachev contends that with the introduction of regional *khozraschet,* each republic will start to recalculate the advantages and disadvantages of membership in the USSR. Lithuania's President Vytautas Landsbergis acknowledges that even after separation, Lithuania will be highly dependent on trade with the rest of the USSR and calls for the conclusion of a treaty on cooperation. The transition to regional self-accounting and self-management thus has a greater role than that of a purely economic incentive. It lays the groundwork for economically and politically more viable republics and for a stronger federation.

Budgetary authority and ownership. The redistribution of power and the transition to cost-accountability requires a reorganization of the fiscal system and of ownership arrangements between the center and the periphery. The right to levy taxes and freely dispose of revenues is an important attribute of sovereignty. Independent control over some resources is the precondition for a community's freedom to set its own agenda. The Soviet Union's fiscal system has so far denied to its republics the right to tax and to dispose of revenues, except in accordance with terms established by the central authorities. In the USSR, finance has been centralized and apportioned to the union republics ("to each according to his needs"). The division of fiscal authority forms a major bone of contention in the current

[61]Speech to the USSR Supreme Soviet, Feb 27, 1990, in Foreign Broadcast Information Service, *Daily Report: Soviet Union* (Washington, DC—hereafter, *FBIS-SOV*), Mar. 1, 1990, p. 58.

[62]For a discussion of politically and economically motivated disruptions of trade with the Baltic states, see Bill Keller, "Baltics Say Kremlin Blocks Economic Shifts," *The New York Times*, Feb. 11, 1990.

[63]See the discussion by S. Cheshko, "Economic Sovereignty and the National Question," *Kommunist*, No. 2, January 1989, pp. 97–105; also A. Maslov, "On the Legal Foundations of Economic Sovereignty," ibid., No. 7, May 1989, pp. 57–60.

[64]"Our Own Common Market Is an Alternative," *Izvestiya*, Feb. 21, 1990.

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reform of tax legislation. It has an important political aspect, for with the dispersion of resources, the center's ability to support a large apparatus and to sustain the myriad of functions performed today will be weakened, and its hegemony will decline. At the same time, the Union will find it more difficult to generate budget revenues to fund all-Union investment projects such as the development of energy resources, or improvements in infrastructure and other collective goods.

The controversy over ownership also continues to be a highly sensitive issue in the federalism debate. Will Tyumen', for example, have full control over its oil fields, Yakutya over its coal, timber, and diamonds, and the Baltic republics over their seaports? The Soviet leadership continues to assume that there is common ownership by the entire "Soviet people," with the central authorities having extensive jurisdiction and utilization rights over public property in the republics. Some politicians argue in favor of a three-tiered ownership structure, namely, republic, all-Union, and joint or shared public property.[65] Economists in Armenia, the Baltic republics, Georgia, Moldavia, Ukraine, and other regions and republics also call for exclusive jurisdiction over their own territory.[66] The Supreme Soviet of the Lithuanian SSR, for instance, amended Article 11 of Lithuania's constitution and so proclaimed Lithuania's exclusive property and utilization rights over natural resources, land, air space, internal and territorial waters, continental shelf, and the 200 mile exclusive economic zone in the Baltic Sea.[67] The question of ownership goes beyond the issue of the control of resources; it is considered a major attribute of territorial sovereignty and reflects the emerging sense of homeland and the growing awareness regarding environmental issues in the republics.

Foreign affairs. In most federations, the conduct of foreign relations is the exclusive responsibility of the central authorities. In theory, a line is drawn between internal and external sovereignty. In this regard, the USSR is a unique case. In 1944, a constitutional amendment gave the republics the power to enter into relations with other states, conclude treaties with them, exchange diplomatic and consular representatives, and take part in the work of international organizations (Article 80). Accordingly, each republic has its own ministry of foreign affairs.[68] The involvement of the republics in Soviet foreign affairs and foreign economic policy has become an issue in the debate over federation and confederation. Foreign Minister Eduard Shevardnadze has announced that representatives of the republics will be actively drawn into official visits to foreign countries and diplomatic talks dealing with cross-border issues such as trade, economic cooperation, environmental protection, or transportation.[69] The new Law on the Foundations of Economic Relations empowers the republics to open trade missions abroad. The resumption of direct economic ties with neighboring countries is a matter of time. The staff of Soviet embassies and consulates in some countries will be increased to better represent republics with direct interests in those states. At the Ministry of Foreign Affairs in Moscow, a newly established Union Republics Department is charged with improving and coordinating the republics' activities in these spheres.[70]

It is thus likely that the republics will become more assertive in claiming their constitutional right to conduct foreign relations. Since January 1990, Moldavia has negotiated political, economic, and cultural relations directly with Romania.[71] Belorussia and Ukraine have both announced that they will increase their activities in the framework of the United Nations and its specialized organizations. Representatives from the Baltic republics have been active in seeking ties with the United Nations, the Nordic Council, and governments and political, social, and economic organizations of neighboring states.[72] Allowing consulates of neighboring states in

[65]See *Sovetskaya Estoniya*, Oct. 15, 1989; and the debates at the CPSU Central Committee Plenum on the nationalities question, *Pravda*, Sept. 22 and 23, 1989.

[66]See the Estonian Gosplan's "Document On Economic Accountability," *Sovetskaya Estoniya*, Sept. 19, 22, 23, and 24, 1989; the "Program" of the Armenian National Movement, *Komsomolets* (Yerevan), Nov. 4, 1989; the "Manifesto" of the Georgian National Accord Group, *Molodezh' Gruzii* (Tbilisi), Nov. 14, 1989; or the Moldavian Council of Ministers' "Concept for Socio-Economic Independence," quoted in *Izvestiya*, Dec. 11, 1989.

[67]*Sovetskaya Litva* (Vilnius), Feb. 21, 1990. See the discussion by Kazimiera Prunskiene, "On Property Relations Between the Lithuanian SSR and the USSR," ibid., Nov. 8, 1989. Lithuania's Supreme Soviet, for instance, has submitted an alternative draft for the new USSR Law on Property containing these provisions (*Sovetskaya Rossiya* [Moscow], Nov. 21, 1989).

[68]The main objective was to claim a permanent seat for Belorussia and Ukraine in the United Nations; otherwise, this article existed on paper only. Contacts between republics and foreign states were almost always made through Moscow, and the role of the republics' foreign ministries was minimal. Lithuanian authorities, for instance, are still not supposed to negotiate regional and local issues directly with the Polish government.

[69]Given the close links between Finland and Estonia, Väljas, first secretary of the Communist Party of Estonia, accompanied General Secretary Gorbachev on his visit to Finland in October 1989. Soviet delegations to the United Nations have also started to include representatives from the republic foreign ministries and other republic officials.

[70]See the interview with Yu. Kuplyakov, chief of the USSR Foreign Ministry Union Republics Department in *Izvestiya*, Nov. 21, 1989.

[71]*Sovetskaya Moldaviya* (Kishinev), Jan. 30, 1990.

[72]The Baltic republics can rely on the services of their legations in the United States and in other Western capitals where they continued to function since the 1940's. Thus, after the Malta meeting, in the highest-level contact in decades, US Assistant Secretary of State Raymond Seitz personally

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the capitals of certain republics is also being discussed, for example, a Finnish consulate in Tallinn, a Swedish consulate in Riga, a Polish consulate in Vilnius.[73] With increased national self-awareness and economic autonomy, it is of great importance for the more independent-minded republics to revive traditional ties with their neighbors and to activate contacts with politically and economically influential émigré communities to help their cause.[74]

This prospect raises interesting questions. With the reform of East European economies and the reorganization of relations in the Council for Economic Mutual Assistance, new patterns of foreign trade and economic cooperation among the countries of Central Europe will emerge. The economically advanced Soviet republics have a good chance to play a major role in this subregional integration. Yet joint ventures, foreign trade, and the possible creation of special economic zones are bound to pull each region's economic interests in different directions and increase the cleavages among the republics.

Even though the exact international status of the semi-autonomous republics remains ill-defined, they will nevertheless play an increasingly visible, though limited, role in East-West relations. The Soviet leadership is unlikely to give up its control over international affairs; it will try to avoid the emergence of an uncoordinated "parallel" foreign policy at the republic level or the uncontrolled revival of old ethnic or political ties across borders. As international reactions to events in Lithuania demonstrate, most Western states prefer to avoid confrontation and place the improvement of overall relations with Moscow ahead of the promotion of direct ties with the republics. Ultimately, they perceive a close linkage between the promotion of détente on the one hand, and the success of *perestroyka* and achievement of more autonomy for the republics on the other.

Military affairs. A heated dispute has also arisen over the role of republics in military affairs. Politicians in most parts of the USSR call for the organization of territorial armed forces under the command of the republics, something comparable to the US National Guard.[75] Minister of Defense Dmitriy Yazov and other military leaders have categorically rejected these demands as incompatible with the "internationalist structure" of the armed forces, with the military's need to maintain all-Union forces such as the air force or the navy and to deploy them according to the exigencies of the strategic situation. However, as a concession to local demands, Chief of Staff Mikhail Moiseyev has announced that 25 percent of all non-Russian draftees will be allowed to

Lithuanian youths who have deserted from the Soviet Army and are seeking asylum, photographed near the Lithuanian Supreme Soviet in spring 1990.

—A. Chepakin/Bona Press via Pictorial Parade.

briefed semi-official Baltic representatives on the outcome of the summit. Baltic leaders have suggested that Estonia, Latvia, and Lithuania might follow the example of Switzerland and some Third World national-liberation movements and seek observer status at the United Nations. According to a report in *The New York Times*, Dec. 10, 1989, aides to UN Secretary General Javier Pérez de Cuéllar and leaders of the three Baltic popular fronts have had several encounters. After this press report, the United Nations announced that the contacts will not be continued, allegedly because Moscow protested.

[73]Presently, foreign consulates operate in Leningrad, Kiev, and Minsk.

[74]See the discussion on the republics' foreign policy interests in: "Listening to One Another—*Kommunist, Kommunist Sovetskoy Latvii, Kommunist Estonii*, and *Kommunist* (Lithuania) Roundtable," *Kommunist* (Moscow), No. 6, April 1989, pp. 76ff.

[75]See Boris Yel'tsin in *Sovetskaya Molodezh'*, Feb. 6, 1990.

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serve in their home districts.[76]

Yet the issue at stake is not the future shape of the federation, but the question of power. In many places, the Soviet Army is viewed as an "occupation force," which forms a state within the state and gives the central authorities the option to intervene with military force. This view has been reinforced by the events in Tbilisi, Baku, and Vilnius. Although rumors about resistance organizations, arms hoarding, and people's militias abound, the tug of war between the center and the periphery is so far limited to predominantly political means. The central leadership has therefore little interest in arming the contending ethnic and political factions by creating territorial, i.e., national, military units.

Draft dodging has become a political act supported by local parliaments, governments, and pro-independence movements. The legislatures in Vilnius and Riga have passed resolutions saying that their citizens have the right to serve exclusively in their republics, and Latvia has introduced an alternative service.[77] These acts of insubordination are posing an unprecedented challenge to the very foundations of the Soviet Army, which is already defensive about unilateral Soviet troop cuts, withdrawals of Soviet troops from Eastern Europe, internal social and disciplinary problems, attacks on it by the press and politicians, and accusations of corruption. The spring draft will be a major test of strength for the military authorities.

Representation and Participation in Central Institutions

Delegates from the Baltic republics, Armenia, Azerbaijan, and Georgia have repeatedly criticized the new USSR parliamentary system for denying them the opportunity to defend their republic's interests. Some deputies call for a new voting rule under which the delegation of each republic would have an equal vote on essential laws concerning the sovereignty of the republics. Others resort to such measures as walkouts and boycotts of entire legislative sessions. In February 1990, pro-independence delegates from the Baltic republics notified the USSR Supreme Soviet that they would not participate in preparing the "internal legislation" of the USSR, but would attend as "observers" charged with preparing negotiations on the independence of their republics.[78] That the absence or nonparticipation of entire republic delegations has had no impact on the functioning of the legislature contributes to the growing alienation of these dissidents from the existing parliamentary structures. The marginalization of the representation of the republics and the breakdown of parliamentary channels of communication have resulted in further polarization between the center and the periphery. Conflicts are transferred to the extraparliamentary sphere.

Like John Calhoun's theory of concurrent majorities,[79] the Soviet system attempts to combine parliamentarism with federalism. The dualist form of government is realized in the bicameral Supreme Soviet consisting of a Council of the Union and a Council of Nationalities in line with the newly amended Article 111 of the USSR Constitution. The latter is elected under a complicated system that assigns each union republic 11, each autonomous republic 4, each autonomous region 2 seats, and each autonomous area 1 seat, respectively. The constitution gives both chambers equal legislative rights. Both debate legislation. In case of disagreement between the two chambers, the matter at issue is referred for settlement to a conciliation commission made up of representatives from both chambers. In case of continued dispute, a joint session of the two chambers convenes. If agreement is still not reached, the President can submit an acceptable compromise or ask for the election of a new Supreme Soviet (Article 117).

With Gorbachev's emphasis on the soviets, the Council of Nationalities has been upgraded from rubber-stamp parliament to genuine legislature. In recent months, it has performed important legislative work focusing in particular on matters pertaining to republic and minority affairs. As in the case of the Land Law or the Law on Secession, national-territorial deputies have pushed through significant amendments. In comparison with other executive and legislative bodies, however, the Council of Nationalities continues to play only a marginal role. In practice, bicameral procedures are

[76]See Yazov in *Izvestiya*, Mar. 12, 1990; Moiseyev, in *Trud* (Moscow), Mar. 13, 1990.

[77]In the Baltic republics, organizations such as Geneva-49, Cross of Fire, or the Women's League assist draft dodgers and deserters. In Ukraine, the Union of Independent Ukrainan Youth, the Helsinki Union, and other opposition groups demand the creation of a Ukrainian defense ministry and national forces. In Kishinev, the National Guard group is encouraging Moldavians not to serve in the Soviet army. In Georgia, the Supreme Soviet has decided to bring up as a legislative initiative the question of restoring Georgian national military formations. Many of the opposition groups are urging a boycott of the "Soviet occupation army." Radical wings in the Armenian Liberation Movement and the Azerbaijani People's Front have organized their own militias.

[78]Moscow Television Service in Russian, Feb. 27, 1990, translated in *FBIS-SOV*, Feb. 28, 1990, pp. 47–48. In an angry reaction, Gorbachev suggested excluding the Baltic deputies from the voting quorum.

[79]John C. Calhoun, *Disquisition on Government and Selections from the Discourse*, Gordon D. Post, Ed., New York, Bobbs-Merrill, 1953.

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not strictly applied. Important legislation, such as the Law on the Presidency, was not submitted to the Council of Nationalities at all. The Presidium of the Supreme Soviet, the Council of the Union, and the numerous commissions and committees dominate the legislative work. The Supreme Soviet and the commissions frequently meet in joint sessions. With 35 percent of the seats (95 of 271) in the Council of Nationalities and 58 percent (156 of 271) in the Council of the Union, the Russian Soviet Federated Socialist Republic (RSFSR) has a predominant position in both chambers of the parliament.[80] Thirty-eight percent of deputies and a majority of commission and committee chairmen are Russian.[81] In order to initiate or overrule legislation, the other republics and nationalities have to form broad coalitions. Thus, the relative weight of republic delegations is diluted, the rule of the majority strengthened, and the balancing role of the Council of the Nationalities neutralized. During the ethnic clashes and center-periphery conflicts in the Transcaucasus, Uzbekistan, and Lithuania, the Council of Nationalities did not become a parliamentary platform for crisis management.

The creation of the two-tier Soviet parliamentary system has further weakened the principle of equal representation of the republics and undermined the notion of a union of sovereign member-states. The Supreme Soviet has been demoted from supreme legislature to a secondary authority subordinated to the new Congress of People's Deputies, which is a unicameral body. As Andrey Mishin, professor of law at Moscow State University, concludes:

The Supreme Soviet is not in fact a parliament, but rather a grand committee of the Congress. It lacks two organic qualities of a parliament. First, it does not possess sovereign legislative power, for all its decisions can be rescinded by the Congress. Second, it is not directly elected by the people.[82]

The deputies representing national-territorial units, which make up one-third of the Congress, are elected according to a similar formula as the Council of Nationalities. Yet the 50 or so parliamentarians representing each of the smaller republics are easily lost in the total of 2250 deputies.[83] The provision that the Supreme Soviet is not elected directly by popular vote but appointed by the Congress of People's Deputies, violates another principle of federalism. The republic delegations in the Council of Nationalities thus consist of indirectly elected deputies and appointed functionaries of political and social organizations that function or reside in the respective republics. The new parliamentary system thus reflects the combination of mutually contradictory principles: those of federalism and those of a unitary state. The advantages of democracy and parliamentarism are outweighed by tendencies toward centralization and majority rule and a negation of direct, equal representation of the constituent states.

A similar conclusion applies to the representation of republics and regions in other central organs, namely, in the Council of Ministers, the Presidium of the Supreme Soviet, the Supreme Court, the Procuracy, etc. Ex officio representation guarantees a minimal degree of proportionality. Beyond this measure, the center has taken no additional steps to secure greater representation on the part of non-Russian officials in these bodies. A related problem is the representation of the republics in the non-federated structures, namely, the party, the armed forces, the KGB, the central planning bodies, or the USSR Academy of Sciences. Initially, Gorbachev's personnel policy led to a remarkable decline of non-Russian functionaries in these organs, but the trend has been somewhat reversed by recent appointments. At the moment, only one republic party chief—Volodymyr Ivashko from Ukraine—is represented on the Politburo, instead of the usual four to six.

The draft Party Statute envisages the creation of a Central Committee Presidium in which all republic party leaders would be represented. A radical improvement of the representation of the republics in the federal legislative and executive bodies, especially the upgrading of the role of the Council of Nationalities, is thus an important prerequisite for a revitalization of the Soviet federation.

The reinforcement of the RSFSR's independent organizational political status and the creation of appropriate state organs form an important part in improving federal structures. In recent months, functions previously performed by all-Union ministries have been transferred to the RSFSR Council of Ministers, and a Russian Communist Youth League and Academy of Sciences have been created. In order to reinforce the RSFSR's status within the party, a new Russian Bureau

[80]The RSFSR has 11 representatives for the republic, 64 for 16 autonomous republics, 10 for 5 autonomous regions, and 10 for 10 autonomous areas. In the old composition, with each chamber having 750 seats, the RSFSR occupied 33 and 56 percent of the seats respectively. The predominance of the RSFSR has thus been reinforced in the new, smaller Supreme Soviet.

[81]For a breakdown of the ethnic composition of the Congress of People's Deputies and the Supreme Soviet, see V. Tishkov, "Assembly of Nations or Union Parliament?" *Soyuz* (Moscow), No. 1, January 1990, pp. 3–4. With the first of the annual rotations coming up in May 1990, the ethnic composition of the Supreme Soviet is likely to shift further in favor of Russians, since they are underrepresented relative to their 45.6 percent share of seats in the Congress.

[82]*Izvestiya*, Feb. 5, 1990.

[83]Tishkov, *loc. cit.*

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has been set up in the CPSU Central Committee.[84] Gorbachev seems also to have dropped objections against the formation of a Russian Communist Party. Russian politicians will continue closely to scrutinize every privilege granted to the Baltic states and other republics and compare it with the treatment afforded to the RSFSR.

The presidency. The creation of an executive presidency has a profound, yet ambivalent impact on the federal relationship. In the words of Academician Vladimir Kudryavtsev, the president will stand "above Party, institutional, and national divisions." Boris Lazarev of the Institute of State and Law sees the presidency as a "coordinating element," a "bracket for the union," a "guarantor of the federation."[85] In his acceptance speech, Gorbachev asserted that a democratic presidency will provide for "dialogue and cooperation with the representatives of different tendencies of society."[86] The proponents of a strong presidency seem to be influenced by the negative example of Yugoslavia, where the weakness of central authorities contributed to the progressive paralysis and disintegration of the central government. In a joint statement, 26 Baltic deputies, some of whom proposed the creation of a presidency in early 1989, welcomed the creation of a presidency as a step "conducive to the process of democratization." They seem to favor a consolidated central authority as *interlocuteur valable* in their negotiations for independence.[87]

Yet the creation of a strong presidency seems to reverse trends toward the sharing, decentralization, and democratization of power. It reflects the barely concealed frustration of the leadership with the slow pace of legislation and the time-consuming process of consensus-building. Prime Minister Ryzhkov has complained about the repeated readings of laws in the committees and chambers of the Supreme Soviet and concluded that the legislature takes "an extraordinarily long time reaching decisions."[88] Political scientist Andrey Kortunov asserts that "you cannot have a revolution at consensus speed."[89] Yet consensus forms the working basis of federalism.

The presidency also removes the representation of the republics in what is nominally the highest office in the USSR, since it replaces the collegial state leadership of the Presidium of the Supreme Soviet, in which each of the republics had a seat. The new Council of the Federation, which consists of the supreme soviet chairmen or presidents from the republics and is supposed to advise the president in the solution of interethnic disputes and related issues, will supposedly fill this gap. The competencies of the Council are, however, not clearly demarcated from those of the Council of Nationalities and the Presidium of the Supreme Soviet, in which the 15 republics are also represented. In its first meeting, for instance, the Council of the Federation started to debate such legislative matters as the draft treaty on the federation. The Council is limited to consultative functions, its members have no voting right, and it is unclear what the procedures are for accommodating differences—say between Gorbachev and the representative of Georgia.[90]

Finally, the president can issue presidential decrees (*ukazy*) and has other powers that weaken those of the federal legislature as well as the sovereign rights of the republics. Gorbachev can declare martial law or a state of emergency in a particular region of the USSR, although this is subject to consultation with local authorities and oversight by the Supreme Soviet. New emergency legislation empowers the president to ban disturbances of the public order—strikes, demonstrations, assemblies, publications, or organizations and movements "pursuing militant and anti-constitutional goals."[91] He can introduce "temporary presidential rule," a form of direct rule over particular regions or republics, suspend the authority of their government, revoke their legislation, remove their governments, and dissolve their parliaments.[92] Sergey Stankevich refers to an "imperial presidency," while Anatoliy Sobchak calls the Soviet presidency an "all-Union gendarme." Konstantin Lubenchenko observed that "the traditional

[84]In 1956, Khrushchev set up a Russian Bureau in the Central Committee, but it was abolished by the 23rd Party Congress in 1966. The other departments dealt directly with RSFSR affairs; a parallel body covering the Russian federation thus became superfluous.

[85]*Pravda*, Mar. 10, 1990.

[86]Ibid., Mar. 16, 1990.

[87]Moscow Television Service in Russian, Feb. 27, 1990, trans. in *FBIS-SOV*, Feb. 28, 1990, pp. 47–48. The Supreme Soviet of Georgia, in turn, issued a resolution instructing their deputies to abstain from voting on the Law on the Presidency, and declaring "null and void" the provisions limiting the sovereign rights of the republic. TASS, Mar. 9, 1990.

[88]In the CPSU Platform, the introduction of the presidency is justified with the argument that parliamentarism is still in its "formative stage," and that therefore a "reliable and effective mechanism" for the implementation of legislation is needed. *Pravda*, Feb. 13, 1990. Ryzhkov specifically refers to the draft law on land which was submitted to parliament in September 1989 and accepted at its third reading in February 1990. TASS, Feb. 27, 1990.

[89]Moscow Television Service in Russian, Mar. 2, 1990, trans. in *FBIS-SOV*, Mar. 5, 1990, p. 60.

[90]See Article 127, Para. 4 of the revised constitution, *Izvestiya*, Mar. 16, 1990.

[91]See the drafts of the Law on the State of Emergency and the Law on Accountability for the Infringement of Citizens' Rights and the Violation of the Territorial Integrity of the USSR. The strengthening of the troops of the Ministry of the Interior, the creation of military task forces, and the transformation of the KGB's Fifth Directorate into a Department for Constitutional Compliance provide the president with the material basis for enforcing emergency provisions. See "Moscow TV Carries 26 Feb. Supreme Soviet Session," *FBIS-SOV*, Feb. 27, 1990, pp. 40–43.

[92]"USSR Law on Instituting the Post of President of the USSR," *Izvestiya*, Mar. 16, 1990.

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French model has been adopted with the old Soviet filling."[93] Even if exerted in a "democratic spirit," as Gorbachev promises, these extensive presidential powers seem to contradict the process of federalizing the government, create a broad array of overlapping competencies, and contribute to the "confusion of authority" in the USSR.

The CPSU and federalism. Despite the alteration of Article 6, which had previously secured the leading role of the party in the Soviet polity, the CPSU remains a highly centralized, unitary party that has so far formed a major obstacle to the implementation of federalism. An essential problem regarding the reform of the Soviet state structure pertains thus to the future role of the CPSU.[94]

In the draft Party Statute prepared for examination at the 28th Party Congress in June 1990, the CPSU has introduced provisions improving the representation of the republic parties in the central apparatus and granting them a degree of autonomy including the right to draw up their own programs and statutes.[95] The Central Committee has, however, fiercely resisted attempts at federalizing the party and defended the organizational principle of "democratic centralism." Gorbachev warns that otherwise the party would "turn into an amorphous federalist club consisting of individual independent party groups."[96] These limited reforms are, however, unlikely to provide a timely and adequate answer to the more fundamental challenges to the CPSU, namely, the loss of power of the local and republic party organizations (the so-called "Polish challenge"), the erosion of Marxist-Leninist orthodoxy (the "Hungarian challenge"), and separatist tendencies within the party (the "Lithuanian challenge"). These trends toward political pluralism, de-ideologization, and decentralization are likely to put enormous pressure on the CPSU to rethink its role in society and to propose more fundamental reforms than discussed so far. Thus far, however, the transition to a multiparty system has not yet produced a political movement at the all-Union level that could compete with or replace the CPSU as an integrating and unifying force.

Bargaining and Conflict Management

The Soviet republics have few options for initiating, amending, or challenging legislation at the all-Union level or for seeking political or judicial adjudication in cases of conflict with the central authorities. Legislative initiative gives them the right to propose or amend legislation in the Congress of People's Deputies and the Supreme Soviet, a right qualified by the power of these bodies to decide whether or not to take up the proposal. The deputies from the Baltic republics have put forward alternative drafts and amendments on virtually every law and constitutional amendment on the agenda of the USSR legislature in recent months—to little avail.

The revised constitution also establishes a sort of referendum giving the republics the right to ask the Supreme Soviet for a country-wide discussion of draft laws and "other important issues of state life."[97] Soviet republics have no right to ratify—that is, to validate—legislation of the Congress of People's Deputies, the Supreme Soviet, and its Presidium, or to veto legislative acts of central bodies.[98] Union legislation thus enters automatically into force on the territory of a republic without the consent of its highest legislative body. There is also no formal mechanism to determine whether a republic agrees, for example, to having a nuclear power plant set up on its territory, a military installation expanded, or its natural resources exploited.

Federal systems are characterized by frequent disputes between the central authorities and the member-states over the interpretation of constitutional provisions, the division of powers, and related issues. Unlike other federations, the USSR does not have an independent judiciary, a constitutional court that could provide a legally binding ruling, arbitration, or an advisory opinion. The predominance of the Union is codified in the provision that union law prevails over republic law (Article 74). The Congress of People's Deputies is the

[93] *The New York Times*, Mar. 14, 1990.

[94] The Soviet press shows great interest in the events in Yugoslavia; see, for example, Ye. Vostrukhov in *Izvestiya*, Sept. 23 and 28, 1989. The Party Statute of the League of Communists of Yugoslavia guarantees that no decision is taken without the consent of the parties of the major republics, i.e., Croatia, Serbia, and Slovenia. Each of them has a de facto veto right. Without their votes, the central bodies cannot reach the required quorum.

[95] See the CPSU Platform for the 28th Party Congress, loc. cit.; and the Draft CPSU Statutes, *Pravda*, Mar. 28, 1990.

[96] Gorbachev, *Fate*. See the proceedings of the CPSU Central Committee Special Plenary Session on December 25 and 26, 1989, ibid., Dec. 26 and 27, 1989. Gorbachev has presented the most detailed critique of a decentralized party in his "Appeal to the Communists of Lithuania," delivered to the LCP Central Committee Plenum by V. A. Medvedev, member of the Politburo, on December 1, 1989, ibid., Dec. 3, 1989.

[97] Article 115 and Article 119, Para. 5. The procedures and results of such a nation-wide discussion remain somewhat unclear. In the 1936 constitution, the republics had the right to propose a country-wide referendum. While this provision has never been put into effect, it provided the republics at least with an option to challenge legislation of the central authorities. The right to initiate a referendum is now reserved to the president and the Congress of People's Deputies.

[98] See the proposal to introduce ratification of Union legislation by the republics' legislatures in Andrey Sakharov, "Speech to the Congress," *The New York Review of Books*, August 17, 1989, pp. 25–26. The 1924 constitution had stipulated the right of the republics to object to laws passed by central authorities. This right was dropped in the 1936 constitution.

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highest constitutional authority. Together with the president and the Supreme Soviet, the Congress has a variety of powers for revoking the legislation of the republics, if it is not in line with the USSR Constitution and laws. There are thus no enforceable guarantees that the newly extended constitutional rights and freedoms of the republics will be safeguarded. A proper system of horizontal and vertical checks and balances does not exist in the USSR.[99]

Gorbachev seems to have recognized the critical lack of a constitutional judiciary. In November 1989, the Congress decided to create a Constitutional Oversight Committee. The body, which is to begin functioning in April 1990, consists of 27 "specialists in the field of politics and the law" with one representative from each republic, and is elected by the Congress of People's Deputies for a term of 10 years. It examines draft USSR laws, constitutions and laws of the union republics, resolutions of the USSR and republic councils of ministers, and normative acts of other state organs and public organizations—including the communist party.[100]

When a legislative act is found to contravene the USSR Constitution or laws, the Constitutional Oversight Committee is to communicate its findings to the organ that issued the act with the understanding that the violation will be eliminated. Communication of such a finding is to suspend the execution of the challenged legislation. In case a constitutional conflict cannot be solved in this way, the Committee is to refer the matter at issue to the higher authority of the body concerned. If, for instance, a republic parliament refuses to accept a finding of the Committee, the dispute would be submitted to the USSR Congress of People's Deputies, which in turn could force the republican parliament to bring its legislation in line with the USSR Constitution and legislation, even if the issue fell within the exclusive jurisdiction of the republic concerned.

The Committee's competencies are thus limited. It is not the highest constitutional authority. It has, for instance, no power to overrule executive or legislative acts by the central authorities or to provide independent, final, binding arbitration in constitutional conflicts. Enforcement depends on the cooperation of the organs to which the Committee communicates its findings. The right to submit "findings" and "advisory opinions" can be compared with a legislative initiative through which a review of a decision can be sought. Moreover, the Congress can overrule any decision of the Committee by a two-thirds majority. It remains to be seen how effective the Committee will be in challenging decrees passed by the Supreme Soviet or decisions of the Congress of People's Deputies, should they prove to contravene constitutional provisions. In the words of deputy Vladimir Denisov, "no judge in this country would dream of ruling against him [Gorbachev] in his worst nightmare."[101]

The Committee is thus basically a political organ. It is accountable to the Congress of People's Deputies and does not form part of an independent, professional judiciary.[102] Nor does it significantly shift the political and judicial center of gravity in favor of the republics. In the words of a Baltic delegate, the Committee will "not only fail to serve the restoration of the sovereign rights of the union republics, but restrict even their restricted rights."[103] Its main objective seems to be the enforcement of the legislation of the central authorities. Its creation can be considered as a semi-concession that is unlikely to contribute to the solution of the emerging constitutional crisis.

In federations, informal bargaining processes are much more important than formal procedures prescribed by law. Little is known about informal processes of consultation and consensus-building in the USSR. The highly centralized, authoritarian state structure is not conducive to internal bargaining and compromise. Nevertheless, Gorbachev has clearly departed from the administrative-command methods of his predecessors. He frequently consults with subordinate leaders, goes to great lengths to hear various points on an issue, and dispatches fact-finding or mediation missions to trouble spots. In the event of disagreement, he postpones decision or refers the disagreement to a commission. He thus attempts to be a consensus-building politician trying to reconcile opposing views.[104] In many instances, Gorbachev's mixture of dialogue, per-

[99]See the critique of the Soviet constitution in Andrey Sakharov, "On the Constitution," *Komsomolskaya Pravda*, Oct. 8, 1989.

[100]Article 125 according to "USSR Law on Amendments and Additions to Article 125 of the USSR Constitution," *Izvestiya*, Dec. 26, 1989. (In the newest constitutional revision, the numeration has changed to Art. 124). A Law on Constitutional Compliance specifying the competencies and procedures of the Committee is in preparation. *Pravda*, Dec. 22, 1989.

[101]*The New York Times*, Feb. 28, 1990.

[102]In a symbolically important step toward an independent judiciary, the Congress has amended the Law on the Presidency so that the Constitutional Oversight Committee is not appointed by the president, as originally proposed, but by the Congress.

[103]I. Gryazin, quoted in TASS (English Service), Dec. 21, 1989. The Baltic Parliamentary Group issued a statement criticizing the draft and abstained from voting on the amendment; the Group does not feel bound by the Committee's finding. See the speech by K. V. Motieka at the Second Session of the Congress of People's Deputies, Moscow Television Service in Russian, Dec. 22, 1989, trans. in *FBIS-SOV*, Dec. 27, 1989, pp. 65–66. See also the statement by Yuriy Afanas'yev in the name of the Interregional Group of Deputies, ibid., Dec. 22, 1989, pp. 40–42. Boris Yel'tsin subsequently suggested the creation of a constitutional court for the RSFSR.

[104]The best example of Gorbachev's informal bargaining approach is his handling of Lithuania up to the declaration of independence on March 11, 1990. On several occasions, Gorbachev summoned the leadership of the

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suasion, appeals, and open threats has, however, not produced a resolution of differences. It is thus questionable how effective Gorbachev's remarkable bargaining attempts are as long as there is little room for compromise. It remains to be seen how far Gorbachev, the supreme ruler and proclaimed teacher of his people, can go in tolerating dissent and abdicating the old methods of diktat and the use, or threat of use, of force.

In the context of the growing self-assertiveness of the republics and the proposed decentralization, the absence of formal and informal mechanisms for the peaceful resolution of conflicts has become a decisive weakness of the Soviet federal structure. In recent months, the number of unresolved center-periphery disputes has proliferated. Some republics have resorted to unilateral measures in asserting their sovereign rights and interests.[105] Republic supreme soviets have taken legislation into their own hands, amending their constitutions and passing laws without much consideration for union legislation. Declaring their insubordination, the dissident republics thus challenge the very essence of the Union. They openly question the constitutionality of the Soviet system, point at the chronic and systematic violation of their constitutional rights and freedoms by the central authorities, refer to the absence of proper procedures in passing constitutional amendments in the USSR, and complain about the lack of an independent constitutional judiciary to protect their legally guaranteed rights and freedoms. In their eyes, the supremacy of all-Union legislation is thus an instrument for ensuring the hegemony of the center and usurping the powers of the member-states.

The problem for the USSR is not too little, but too much, legislation. The vast number of normative decrees passed by central bodies has produced a kind of legislative inflation, with various bureaucracies claiming the same prerogatives without a legal basis to do so. The difference between a law as a juridical act and as a political declaration has been lost. The result is atrophy of law, insecurity, and chronic confusion of responsibilities. At issue is the political and legal basis of the federation. The constitution drafted in 1977 under Brezhnev's leadership is in many respects outdated; lags behind political, economic, social, and psychological changes in Soviet society; and serves to protect the status quo. Deputy Konstantin Lubenchenko, chairman of the Supreme Soviet Committee on Legislation, Legality, Law and Order, asserts that it is untenable to check new laws for conformity with an outdated, delegitimized constitution.[106] Dissident legislators justify their insubordination as bargaining tactics, as acts of resistance aimed at changing the Soviet constitutional framework from below through political means.

Conclusions

While it is difficult to isolate specific deficiencies in the Soviet federal system or to suggest optimal solutions for center-periphery relations and the building of a "Soviet style" federation, the study of the Soviet problems from a comparative perspective allows one to draw some general conclusions. Soviet and foreign commentators contend that the transformation of the Soviet state structure into a "true federation" requires only modest adjustments in the existing constitutional framework and thus call it a relatively moderate approach toward resolving the concerns of minorities. All things considered, however, the renewal of the Soviet federation implies a revolutionary institutional reform and—most important—a radical departure from existing political practices in the USSR. It requires: (1) a substantial redistribution of powers, conceding exclusive jurisdiction and autonomous status to the republics; (2) improved representation and participation of the republics at the all-Union level; (3) a federalization of the highly centralized party, administrative, and legal structures; and (4) the creation of mechanisms for the peaceful resolution of political and constitutional conflicts, that is, the formation of an independent constitutional court.

So far, the Soviet leadership has taken an administrative approach. It continues to deal with minority questions on a case-by-case basis. It extends special treatment to the most troublesome areas in an attempt to ease problems rather than solve them. The Soviet Pres-

Communist Party of Lithuania to Moscow in an attempt to reconcile the actions by the Lithuanian parliament and party with his own agenda. He also met regularly with the Lithuanian delegates to the USSR People's Congress, dispatched several high-ranking party leaders to Lithuania, and personally carried his message to Lithuania in a last-ditch attempt to prevent the secession of the republic's communist party from the CPSU.

[105]In November 1988, the Supreme Soviet of Estonia amended Article 70 of its constitution to empower the republic parliament to suspend the application of USSR laws and ordinances in Estonia if it deems them to infringe on the republic's sovereignty, to violate the republic's constitution and laws, or to conflict with the republic's best interests in general. The Supreme Soviets of Azerbaijan, Georgia, Moldavia, Latvia, and Lithuania also decreed the supremacy of the legislation of the republic over that of the Union. See *Pravda*, Nov. 19, 1989, for Azerbaijan's action; *Izvestiya*, Nov. 21, 1989, for Georgia; and *Pravda*, Nov. 24, 1989, for Moldavia. While the details of the constitutional amendments vary, they share the same view on the precedence of republic over Union legislation.

[106]"A Fourth Constitution: Pros and Cons," *New Times* (Moscow), No. 41, October 1989, pp. 34–37. But Lubchenko rejects the drafting of a new constitution, on the grounds that there would be no consensus on its provisions.

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ident has yet to define the objectives, essence, and design of a renewed federation. In order to accommodate the increasingly divergent aspirations and expectations of all of the Soviet Union's constituent republics, Gorbachev will have to set in motion a broad, bold, and focused policy process based on consultation and compromise with all the parties concerned, including the constituent republics.

In federal systems, however, processes can be as important as, or more important than, institutions; the spirit prevails over the letter of federal arrangements. In this respect, Gorbachev faces a more formidable task than just a constitutional reform. Soviet political culture is not hospitable to the federal idea; it lacks a tradition of seeking federal solutions. Notions of tolerance, mutual respect, power-sharing, consensus, fairness, and compromise are not (yet) the characteristic traits of the Soviet polity. Exceptionally great communication barriers caused by social, ethnic, political, or ideological polarization continue to exist. Soviet society has to learn to accept that social, ethnic, political, and ideological diversity is a source of strength rather than weakness.

Control and timing are two major determinants in this process of federation-building. The question is whether the federalization of the USSR can be managed and stabilized at a certain level or whether the concurrent processes of democratization and decentralization are simply reinforcing the centrifugal tendencies. In many respects, federalism goes against the logic of the system it is supposed to save. The implementation of the idea of a Soviet federation may simply aggravate the systemic crisis it is intended to alleviate. As the example of Yugoslavia demonstrates, giving more power to the periphery may only help to tear a divided state further apart. A thin line divides federalism, i.e., freedom in alliance, from separatism, i.e., freedom from alliance. In the view of Baltic and other popular fronts, a federation or confederation is but a transitional stage to secession and independence. For them, the question is not whether independence from the Soviet Union should be sought or not, but when and how it should be achieved. Federalism thus becomes a hidden form of separatism. Soviet politicians at all levels thus face the difficult task of dismantling the old system without sacrificing the stability and integrity of the Union.

In light of the growing dissatisfaction with the status quo and the increasing self-assertiveness at the local and republic levels, federalization is running out of time. Politicians in the Baltic republics and other regions have already rejected the CPSU Platform on Nationalities as too little, too late. They perceive Gorbachev's wavering agenda as part of the problem, not of the solution. In their view, *perestroyka* and the solution of the national question have become antinomies. With the elections of new republic and local parliaments, the quest for systemic change is likely to increase. Pressure from below may overtake the managed reforms from above as revolutionary upheaval replaces evolutionary change. The diktat from the street may follow the diktat from the center. Gorbachev's commitment not to use force in settling domestic conflicts will then be put to a test.

Yet such developments are also likely to increase the pressure for more radical—and more adequate—reform of the federal system, whatever the Soviet leadership's intentions. The Soviet Union is thus unlikely to see a uniform, linear, gradual, orderly, and controlled process of federalization. Nor is it clear what the final outcome of the process, the "true federation," will look like, whether it will result in "diversity within a single whole, or in single entities in diversity" as Karl Marx put it. If the 1990's turn out to be the decade for rebuilding the Soviet federation, it promises to be a long and difficult decade rich in domestic conflicts and disputes.

It behooves me to finish on a note of caution. Federalization solves some, but not all ethnic problems. Political reforms and economic improvements that succeed in reducing some manifestations of nationalism may exacerbate others. A Soviet Union in a new and more open political environment with a less rigid system of center-periphery relations will likely be characterized by an increase, rather than a decrease, of nationalism, particularism, and localism, i.e., it is likely to be less manageable and prone to greater ethnic conflict and competition. Yet in a federation, conflict situations are to be expected, and there is no reason to dramatize them as long as appropriate mechanisms exist to solve the conflicts peacefully and equitably.

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Toward Lithuanian Independence: Algirdas Brazauskas and the CPL

Alfred Erich Senn

In December 1989, the decision of the Communist Party of Lithuania (CPL) to declare its independence from the Communist Party of the Soviet Union (CPSU) caught the attention of the world and gave Algirdas Brazauskas, the first secretary of the CPL, considerable international publicity. At the start of 1990, he was perhaps the most visible of republic first party secretaries, and he was certainly the most popular political figure in Lithuania.

The manner in which Brazauskas succeeded Ringaudas Songaila on October 20, 1988, as first secretary of the CPL constituted nothing less than a revolution. To be sure, Moscow seemed to be exercising control: as Songaila's position crumbled, Moscow sent observers to participate in the discussions concerning succession; and even before being designated as the new leader, Brazauskas had to make a ritual journey to Moscow to obtain Mikhail Gorbachev's nihil obstat. The traditional forms, however, did not represent the new forces active in the land. The Communist Party of Lithuania in fact took a giant step along the road that led eventually to its declaration of independence.[1]

The Lithuanians had already begun their journey on this road. Two weeks before Songaila's resignation, the party Central Committee began conducting its meetings in Lithuanian for the first time in 50 years.[2] In addition, in conjunction with Brazauskas's appointment, the Lithuanian party deprived Moscow of its fulcrum in Lithuania when the CPL Central Committee forced the replacement of Nikolay Mitkin, the Russian sent by Gorbachev two years earlier to serve as second secretary of the CPL. Since by tradition the party second secretary in Lithuania (as in many other union-republics) was a Russian, the Lithuanians replaced him with a Russian, but one from Lithuania, Vladimir Berezov.[3]

Brazauskas's official biography pictured him in traditional terms, beginning with his birth in Rokiškis in 1932 and his education as an engineer at the Sniečkus Polytechnical Institute in Kaunas, "where he actively participated in student academic and Komsomol activities." After working as a construction engineer, he entered the republic's Council of Ministers in 1965 and became deputy chairman of its State Planning Committee. A party member since 1959, he rose to the position of party secretary and member of the CPL's Bureau in 1977.[4]

Brazauskas's unofficial biography offered greater promise of innovation and new directions. In answer to journalists' questions, he admitted that Petras Griškevičius, Songaila's predecessor as first secretary, had once "suggested" that Brazauskas resign from the Central Committee, presumably because he was too independent in character. Gossip pictured Brazauskas

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[1]For a detailed account of events in Lithuania in 1988, see Alfred E. Senn, *Lithuania Awakening*, Berkeley, CA, University of California Press, forthcoming in 1990. See also V. Stanley Vardys, "Lithuanian National Politics," *Problems of Communism* (Washington, DC), July-August 1989, pp. 53–76.

[2]See Senn, *op. cit.*, Ch. 9.

[3]See Vardys, loc. cit., p. 64.

[4]*Tiesa* (Vilnius), Oct. 21, 1988.

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as the last in his school class to join the Komsomol, and people who had worked with him spoke glowingly of his comprehension of fundamental economic problems.

Brazauskas in Office

Two days after Brazauskas assumed the post of first secretary of the CPL, the Lithuanian Reconstruction Movement (*Lietuvos Persitvarkymo Sąjūdis*) held its constitutional congress in Vilnius.[5] The delegates were to some extent unable to decide clearly whether they were celebrating past victories or building a new future, and at times speeches inflamed strong national feelings. Speaking before the congress, Brazauskas called for unity; then, as tensions rose on the second day, he reminded delegates of the forces that still controlled Lithuania. "Just think what this would all be like if Songaila were still in office," seemed a popular refrain of the day.

The honeymoon ended abruptly on November 19, 1988, when Brazauskas blocked the Supreme Soviet of the Lithuanian SSR from considering a constitutional amendment declaring that no all-Union legislation would be valid in the republic unless ratified by the republic's parliament, something akin to the "nullification" doctrine in antebellum America. Estonia had adopted such a constitutional amendment on November 17, and in the name of Baltic solidarity, *Sąjūdis* wanted Lithuania to do the same. Angry demonstrators outside the Supreme Soviet building spit on deputies as they left, and Brazauskas paid a heavy emotional price in this conflict. A friend of his later revealed that he had been under medication during the debates.

Brazauskas's basic policies at this point might be divided into three broad categories: cultural, economic, and political. Culturally, he endorsed *Sąjūdis*'s program of making Lithuanian the official language of the republic, and he endorsed the plan to make traditional Lithuanian symbols, such as the tricolor flag, the official symbols of the republic. This legislation was adopted by the Supreme Soviet on November 18.[6] Economically, he advocated "economic self-sufficiency" and indicated that he was ready to do battle with the authorities in Moscow over the issue. Politically, Brazauskas supported a rather limited notion of Lithuanian "sovereignty" within the Soviet federation, while postponing a decision on republic independence. This stand angered *Sąjūdis*.

Several considerations may have prompted Brazauskas's stand on "nullification." First, he apparently did not consider this the right issue on which to confront Moscow at this time. Second, Brazauskas presumably felt a need to distinguish his stance from *Sąjūdis*'s program. Finally, he probably objected to putting himself in a position of automatically following the lead of the Estonians. In short, he wanted to establish his own identity and his own pace. Brazauskas in fact called for postponement of action on the proposal instituting "nullification" rather than for its outright rejection, but in the spirit of the day critics saw no distinction here.

At the beginning of 1989, Brazauskas found himself under heavy attack as he made his way through the triangular relationship among *Sąjūdis*, Moscow, and the CPL's Central Committee. Facing an election campaign for the new USSR Congress of People's Deputies, the party adopted the slogan "A Lithuania without Sovereignty is a Lithuania without a Future", but the political debate bogged down in a semantic quagmire involving the relative meanings of "independence," "sovereignty," and "self-sufficiency." Whereas some insisted on saying "independence" pure and simple, party officials favored "sovereignty," a term already contained in the Soviet constitution and therefore politically prudent to use in dealing with Moscow. Moscow distrusted all the strange thoughts emanating from the Baltic, and Brazauskas had to visit the Soviet capital almost weekly: "Everything is ahead," he declared in a radio interview, "and we have to work hard because we are first. It is hard for the ones in the lead to break the ice."[7]

At the same time, the ship that Brazauskas was piloting still had the same old crew: only a party congress could change the makeup of the Central Committee, and Brazauskas had rejected calls for a special congress in the fall of 1988. At times, Brazauskas's own position seemed insecure, although he denied that this was so: "I think there are no grounds to spread such rumors in Lithuania. I am alive and well, and, as you can see, am in my office."[8] When, however, a meeting of the Central Committee, characterized by critics as "the plenum of the victims of *perestroyka*," vigorously attacked *Sąjūdis*'s activity, the conservatives seemed resurgent.

The Central Committee plenum of February 1989 in fact represented an aftershock to the events of October. Having lost control of the position of second secretary in the CPL, Moscow forged another entry, sending Valerionas Baltrunas, a Lithuanian to replace Lionginas

[5]See Senn, op. cit., Ch. 11; also Vardys, loc. cit., pp. 64–65.
[6]See Vardys, loc. cit., p. 67.
[7]*Tiesa*, Feb. 18, 1989.
[8]Ibid., Feb. 11, 1989.

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Algirdas Brazauskas, chairman of the Presidium of the Supreme Soviet of Lithuania, gives an interview at a polling station in Vilnius after voting in the February 24, 1990, elections to the republic's Supreme Soviet.

—Novosti from SOVFOTO.

Šepetys as party chief of ideology. Baltrunas took the new post of Central Committee secretary for ideology and also became chairman of the party Ideological Commission. (In the fall of 1989, Lithuanian demonstrators, protesting Moscow's pressure on the CPL, carried signs reading "Berezov is ours, Baltrunas is yours".) The February plenum, on these terms, appeared to be a compromise that kept Brazauskas in office.

Speaking at the plenum, Brazauskas seemed to line up with the conservatives. He accused *Sąjūdis* of leading Lithuania into ruin and warned that cooperation between the CPL and *Sąjūdis* would cease unless *Sąjūdis* halted its drive for Lithuania's independence.[9]

The First Secretary's personal political fortunes took a sharp turn for the better in the March 1989 elections to the USSR Congress of People's Deputies. *Sąjūdis* had originally entered candidates for the Congress of People's Deputies against both Brazauskas and Berezov. But because electoral defeat would have seriously weakened Brazauskas's bargaining position vis-à-vis Moscow, the *Sąjūdis* leadership withdrew its candidates against both these leaders.[10] Although the elections resulted in an overwhelming victory for *Sąjūdis* and a stunning defeat for the party, Brazauskas and Berezov, who were the only party candidates to win in the first round of the voting, nevertheless gained personal victories.[11]

From this point on, Brazauskas drew closer again to *Sąjūdis*, apparently accepting *Sąjūdis*'s political program with its aims of independence. Although he continued to urge caution on his fellow nationals, he defended Lithuania's cause in the face of objections coming from Moscow. As a result, he enjoyed great personal popularity in Lithuania, but his prestige did not carry over to the party. According to a public opinion poll carried out in March by the Institute of Philosophy, Sociology, and Law of the Lithuanian Academy of Sciences, Brazauskas received a rating of plus 72 (on a scale ranging from minus 100 to plus 100). A second poll, taken in the last week of May, scored him plus 84, *Sąjūdis* plus 68, and the party only plus 22.[12]

[9]For a favorable account of the February plenum, see *Pravda* (Moscow), Feb. 22, 1989.

[10]Running against Brazauskas in the Vilnius district of Antakalnis, which contains a heavy student population, was Arvydas Juozaitis, who was very popular with Lithuanian youth and had an excellent chance of winning. *The Independent* (London), Feb. 8, 1989, quoted Juozaitis as saying, "If Brazauskas loses, it could mean a political crisis."

[11]In the second round, Kęstutis Zaleckas, head of the Vilnius city party organization, emerged as the only party figure to win a seat without any *Sąjūdis* support, open or tacit.

[12]The party hastily assembled the results of all the polls of 1989 and early 1990 and published them in *Kommunisticheskaya partiya Litvy—1989 g.* (The Communist Party of Lithuania, 1989), Vilnius, Mintis, 1990.

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Brazauskas Advances His Program

By the spring of 1989, Brazauskas seemed back in tune with the fundamental drives and aspirations of the mainstream of Lithuanians. He watched approvingly as the Lithuanian Supreme Soviet ratified a constitutional amendment giving the republic veto powers over Soviet laws, and he supported the campaign to force Moscow to condemn the Molotov-Ribbentrop Pact of 1939 by which Nazi Germany and the Soviet Union divided up Eastern Europe. He made a personal visit to USSR Defense Minister Dmitriy Yazov to discuss problems of Lithuanians in the Soviet armed forces. Carefully publicizing his efforts by means of regular Friday interviews, he projected the image of a man determined to pressure Moscow on the most fundamental concerns of the Lithuanian people.

Yet, Brazauskas still moved slowly on the question of independence. In February, he advocated "republican sovereignty, a sovereign republic in the body of the USSR." He advised caution: "Categorical demands, such as 'Remove the occupation army', are to my way of thinking useless." Pointing to the economic ties that still bound Lithuania to the Soviet Union, Brazauskas repeatedly emphasized the extreme difficulties the country would face if cut off from its sources of supply: "We grew up with economic and all sorts of other ties with the entire country, and today without the Union's raw materials and markets we cannot lead a normal existence." Rather, Brazauskas argued, the task was to redefine Lithuania's relationship with the Soviet Union, and he endorsed the idea of revising the treaty of union that had formed the USSR in the first place.[13]

Moscow displayed considerable understanding in accepting the principle of economic self-sufficiency for Lithuania (as well as for Latvia and Estonia), in agreeing eventually to denounce the Molotov-Ribbentrop Pact, and even in discussing the possibility of restructuring the federal system, but it objected strongly when Brazauskas began speaking of the need to establish an independent communist party. But how, the Lithuanians asked, could their republic achieve economic self-sufficiency and "sovereignty" if their communist party still remained a subsidiary of the party in Moscow? This, Moscow replied, would constitute a blow to the prestige of the CPSU and prejudice the integrity of the Soviet state. When the Lithuanians went ahead with plans for a party congress in December to consider the issue, Moscow became alarmed.

On August 26, the CPSU Central Committee issued a condemnation of developments in the Baltic republics and warned the Baltic communist parties that they had best mend their ways.[14] This declaration epitomized the changing situation in the Soviet Union. In the golden days of the command-administrative system, such a condemnation would have sent fear and trembling through the republics, and the Baltic communist parties would surely have engaged in severe soul-searching and self-criticism, expressing gratitude for having had their sinful ways pointed out to them. In the new era, however, this declaration evoked a different sort of discussion.

The question arose as to who had actually written the declaration, and Moscow found itself embarrassed by the document. Gorbachev, who was away from Moscow on vacation, was allegedly informed of the text,[15] but in subsequent months it proved impossible to find anyone who admitted to having written it. Vadim Medvedev, CPSU Central Committee secretary for ideology, later privately told the Lithuanians of having approved the document without having read it; when faced by a question on the authorship of the declaration during a press conference in Vilnius on January 13, 1990, Medvedev, obviously irritated, complained that one should forget such old history and think only bright new thoughts as befit the new decade.

At the time, however, Moscow's declaration of August 26 raised the specter of forceful intervention. As *The New York Times* reported on September 6, Brazauskas himself "stressed that there was no imminent likelihood of a military crackdown," but "I cannot say that it is impossible. I hope and believe that this will never be necessary." For his part, Vytautas Landsbergis, the president of *Sąjūdis,* reportedly declared that Moscow's declaration contained the threat of "physical means of repression."

Through the controversy and tension, Brazauskas pushed forward his program for Lithuania. "One cannot forget that the whole world recognizes the principle that the sovereign rights of each nation have primacy against any purposes of world politics," he declared in August. Nevertheless, Brazauskas repeatedly emphasized his country's real geopolitical situation, saying, for example, that "We have to establish new relations with the CPSU, but you cannot run away from life."[16] Summoned to Moscow to explain his party's insistence on holding an extraordinary congress, he explained that it had to take a clear stand on Stalinism, that a new Central Committee membership had to be elected that would reflect the strength of reformers

[13]See, especially, his statements in *Tiesa,* July 15 and Aug. 17, 1989.
[14]*Pravda,* Aug. 27, 1989.
[15]*The New York Times,* Aug. 30, 1989.
[16]*Tiesa,* Aug. 17 and Oct. 25, 1989.

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within the party, and that the party had to declare its "self-sufficiency" in order to establish its place in contemporary Lithuanian life. On the question of future relations with the CPSU, he told Moscow: "It is not yet established what kind of ties a self-sufficient Communist Party of Lithuania will have with the Communist Party of the Soviet Union."[17]

Authorities in Moscow reacted negatively to the developments in Lithuania. *Krasnaya Zvezda* vigorously supported the Russian-Polish *Vienybė-Yedinstvo-Jedność* (Unity) organization, which members of the Russian and Polish minorities in Lithuania established to defend their interests.[18] The CPSU Central Committee welcomed a declaration "On the Political Situation in Lithuania"—signed by 26 people in Vilnius on November 13—complaining that the Soviet constitution was no longer functioning in Lithuania and that *Sąjūdis* was taking over the CPL.[19] In November, the CPSU Central Committee summoned the Lithuanian party leaders to Moscow for a meeting and then sent Vadim Medvedev to lecture the Lithuanians. Fearing that Moscow might remove party leaders in Vilnius, demonstrators greeted Medvedev upon his arrival with a major show of support for Brazauskas, Berezov, and Justas Paleckis, the head of the Central Committee's ideological section. Notwithstanding Moscow's pressure, at the beginning of December the Lithuanian Supreme Soviet altered Article 6 of the constitution of the Lithuanian SSR, abolishing the Communist Party's monopoly on power.

The tension between Moscow and Vilnius produced a situation whereby Gorbachev and Brazauskas seemed to need each other. At a time when East European communist parties were crumbling for lack of Soviet support, Moscow's criticisms added to Brazauskas's stature, although the CPL's popularity still lagged far behind that of *Sąjūdis*. A new public opinion poll, carried out at the beginning of October, reported that the communist party had fallen from plus 22 in May to plus 15; *Sąjūdis* had fallen from plus 68 to plus 57; Brazauskas had slipped from plus 84 to plus 77; and Gorbachev's "domestic policy" had fallen from plus 63 to plus 40. If an election were held at that time, 48 percent of the respondents would have voted for *Sąjūdis* and only 19 percent for the party.

A new poll at the beginning of November showed little change: the CPL had an approval rating of plus 16; *Sąjūdis*, plus 60; Brazauskas, plus 78; and Gorbachev's domestic policy, plus 42. On the question of "who best represents Lithuania's interests," Brazauskas won the approbation of 54 percent of the respondents in October and 63 percent in November.[20] But testifying in another way to the party's troubles was the fact that between January 1 and December 1, 1989, party membership in the republic dropped by almost 10,000, from 209,510 to 199,917.[21]

According to the November poll, Lithuanian public opinion supported Brazauskas's plan to establish the party's independence from the CPSU. Asked how the party should restructure itself in the upcoming congress, 56 percent of the respondents supported "an independent Communist Party of Lithuania with its own program and organization, without subordination to the CPSU," 8 percent approved "an autonomous Communist Party of Lithuania with its own program and organization within the structure of the CPSU," 6 percent opposed "splitting the CPSU," and 29 percent declared that "the problems of the CPL do not interest them and they have no opinion."

Given the lack of public support for a CPL subordinate to Moscow, the prospect of genuine competition with the opposition in multicandidate local and republic elections made the restructuring of the party an urgent proposition. According to *The New York Times*, in September Brazauskas "warned that unless the [Communist Party of Lithuania] distanced itself from Moscow, it stood little chance of success in the coming local election."[22] Brazauskas now seemed convinced that only an independent communist party could win the support of the Lithuanian people.

The Extraordinary CPL Congress

The question of the day was how to transfer Brazauskas's personal popularity to the party as a whole. The answer to this question was sought at the Extraordinary Congress of the Communist Party of Lithuania, at which the majority of delegates opted for independence from the CPSU.[23]

In his opening speech to the congress, Brazaus-

[17]Ibid., Nov. 18, 1989.

[18]See Vardys, loc. cit., pp. 59–60. On the military newspaper's attitude toward Lithuania, see *Krasnaya Zvezda* (Moscow), Dec. 22, 1988, and Jan. 17, July 19, and Sept. 3, 1989.

[19]Reported in *Komjaunimo Tiesa* (Vilnius), Nov. 28, 1989.

[20]*Kommunisticheskaya partiya Litvy—1989 g.*

[21]See *Tiesa*, Dec. 20, 1989.

[22]*The New York Times*, Sept. 6, 1989.

[23]The deputies to the congress represented an interesting cross-section of the population: of the 1,038 delegates, 81.3 percent were Lithuanians, 10.2 percent Russians, 2.6 percent Poles, 2 percent Belorussians, and 3.7 percent other nationalities; 959 had some higher education and 100 had advanced degrees or doctorates. The bulk of the delegates were between the ages of 36 and 50 (574 of them) and had been party members between 5 and 23 years (668). Of the remainder, 295 had been members of the party for 24 years or more; and 159 were between 51 and 60 years of age, 30 over 60, and 173 under 35. See the report of the Mandates Commission, *Tiesa*, Dec. 21, 1989.

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kas insisted that the party had to establish its "self-sufficiency," but he held out a hope of compromise: Lithuania's future lay, he suggested, in "a union of sovereign states," and he spoke of the possibility of the Lithuanian Communists' taking part in the CPSU's 28th Party Congress (then scheduled for October 1990). At the same time, he appealed for forgiveness of the party for its past actions: "Today, at this congress, we, with a deep sense of historical responsibility, declare before all that the Communist Party of Lithuania is politically guilty of having, as an integral part of the Stalinist totalitarian system, executed its will." He also called for reconciliation with Lithuania's émigrés.[24]

Speakers argued heatedly both for independence and for remaining within the CPSU. Baltrunas, who as secretary for ideology had to introduce the draft program for party independence, urged the delegates to "Measure nine times, cut once", that is, to move slowly and cautiously, to avoid forcing a party split. In the end, the delegates voted overwhelmingly for independent status for the CPL. Henceforward, the Congress declared, "the nature and course of relations between the CPL and the CPSU will depend on the mutual understanding, the restructuring of the CPSU, and the results of its 28th congress."[25]

A party split immediately followed. Juozas Jermalavičius invited delegates who had voted to remain in the CPSU to gather later that evening at the party center in the October district of Vilnius. Newspaper reporters, who noticed an abundance of uniforms and Volga cars in the neighborhood, also came, and they asked whether the dissidents were in touch with Moscow: "We made no official requests. . . . But each can personally call the Central Committee and chat," came the answer. Inside the building, 135 delegates agreed they wanted to remain members of the CPSU. As one participant told reporters: "I never heard any mention that Lithuania was occupied. I know well the views of the common people of Lithuania, and they are not those expressed at the congress." Jermalavičius argued that the group need only make its stand public and the workers and peasants of Lithuania would rally to it.[26]

On December 22, the pro-Moscow group informed the congress that—"continuing the work" of the congress—it had considered the statements of the CPSU Politburo concerning developments in Lithuania and had decided to establish its own organization, supporting a "self-sufficient Communist Party of Lithuania within a restructured CPSU." The group went on to establish a separate Central Committee headed by Mykolas Burokevičius, a professor of scientific communism, and a Bureau, all in the name of a Communist Party of Lithuania supporting the CPSU Program. Because of the circumstances of its birth, this group became known in Lithuania as the "nighttime Central Committee" (*naktinis Centro Komitetas*).

Undaunted by the split, the congress of the independent CPL went ahead with its own reorganization, choosing a new Central Committee and a new Bureau. Brazauskas and Berezov were reelected first secretary and second secretary respectively. Justas Paleckis became secretary for ideological matters, and Kęstutis Glaveckas became secretary for economic affairs. Baltrunas dropped from sight, not even being named to the Central Committee. The election of just four secretaries, a sharp reduction from the previous number, represented the party's intention to play a smaller role in Lithuanian public life. A reduction of the party apparatus may also have resulted from that fact that the party calculated it would lose the money it had been receiving from Moscow, some 20 to 25 percent of its operating budget.

An Independent CPL

The Communist Party of Lithuania had a completely new look—some now called it "social-democratic"—and it received considerable popular support. On December 26, a mass popular demonstration on Cathedral Square in Vilnius proclaimed support for the party. *Tiesa*, the party newspaper, captured the significance of the gathering: "It would seem that we have become accustomed to rallies. But yesterday's nevertheless was something new. . . . This was probably the first time that the people of Lithuania expressed such sincere solidarity with the Communists, the independent Communist Party of Lithuania."[27] In a time when communist parties throughout Eastern Europe were disintegrating rapidly, the independent CPL relished its popularity.

The restructuring of the CPL also forced changes in the government of Lithuania. When Vytautas Sakalauskas and Vytautas Astrauskas, the prime minister and president of the Lithuanian SSR respectively, failed to win election to the new Central Committee, they resigned their government posts but agreed to serve until a new government emerged following the elections of

[24]Ibid., Dec. 20, 1989.

[25]Ibid., Dec. 21, 1989. The resolution favoring independence received 855 votes; 160 supported an autonomous party within a reformed CPSU; 12 delegates abstained; and 6 ballots were declared invalid.

[26]See *Komjaunimo Tiesa*, Dec. 22, 1989.

[27]*Tiesa*, Dec. 27, 1989.

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February 24 and March 4. In the shadow of the party's having given up its legal position as the fons et origo of authority in Lithuania, this development left the republic without a formal government leadership. The election of Brazauskas as president, which took place on January 15, filled this gap and gave him a firmer base from which to work.

Public opinion polls had now become an indispensable part of Lithuanian affairs, and on January 9, on the eve of Gorbachev's visit to Lithuania, the newest statistics came out, reporting the results of a poll conducted from December 29 to January 2. Of the 1,616 respondents, 82 percent approved the results of the party congress. Brazauskas received a plus 89 rating for his work as first secretary, and Berezov received plus 82 as second secretary. The four secretaries of the "nighttime" Central Committee received scores ranging from minus 54 to minus 61. Most startling was the news that the party now received a plus 73 rating, ahead of *Sąjūdis*'s plus 65.[28] Brazauskas's personal rating rose to plus 73.

The surprising jump in the party's rating disturbed *Sąjūdis* leaders, who of course were looking forward to election campaigns. I heard old friends who belonged to the radical wing of *Sąjūdis* or to the Lithuanian Freedom League (*Lietuvos Laisvės Lyga*)[29] mumbling that the whole clash between Moscow and Vilnius had been a plot to salvage the public image of the CPL. Others complained that "ratings" served no useful purpose. In fact, as a member of the new Central Committee and one of the founders of *Sąjūdis* explained the matter to me, the question was whether "the party has 'sajudicized' or *Sąjūdis* has 'partified' "; he declared that about 100 of the 176 members of the new Central Committee were "of *Sąjūdis* orientation." Three founding members of *Sąjūdis* had become members of the CPL's Bureau (Kazimiera Prunskiene, Romualdas Ozolas, and Bronius Genzelis). The *Sąjūdis* Assembly considered a resolution demanding that these officials resign their Assembly seats. The resolution failed, but the assembly nevertheless formally proclaimed that *Sąjūdis* constituted the "opposition" in Lithuania. *Sąjūdis* members in the party leadership could yet expect further challenges.

Prospects

Considering the question of the future relations between Vilnius and Moscow, many foreign observers anticipated catastrophe. In an op-ed essay in *The New York Times* of January 3, 1990, Robert Schaeffer advised the Lithuanians to "stay put," quoting Gorbachev as having said: "To exercise self-determination through secession is to blow apart the union, to pit people against one another and sow discord, bloodshed, and death." In an editorial on February 5, *The New York Times* praised *glasnost'* and *perestroyka* and warned the nationalities of the Soviet Union that "a diminished, quarrelsome Russia may be more troublesome than the pluralistic, reformist Soviet Union that Mr. Gorbachev has in mind." The impact of these thoughts in Lithuania can be seen in the comment of a member of the "nighttime" CPL who urged foreign correspondents accompanying Gorbachev in Vilnius to "read Schaeffer's article in *The New York Times*."[30]

Lost in the discussion of "independence" or what "Mr. Gorbachev has in mind" was the spectrum of thought that actually obtained in Lithuania . In January 1990, for the overwhelming majority of Lithuanians, "independence" as such was not the major issue of the day; it was a foregone conclusion that Lithuania would be independent. Discussions and arguments raged around the timetable and the approach to take vis-à-vis Moscow. Conservatives thought in terms of a slow-moving timetable and minimal conflict with Moscow; radicals thought of acting immediately and argued that conflict with Moscow was inevitable.

Even as it confronted Moscow's anger in January, the leadership of the independent CPL favored moving slowly. "Paradoxical as it may sound," Paleckis told me in an interview on January 14, "Gorbachev is the man who can do the most for Lithuania in 1990." Party leaders regretted the "blow" that they dealt the Soviet leader, but they believed that it had been essential to declare their party's independence, and they counted heavily on Gorbachev's continuing in office in Moscow. They hoped to avoid conflict: "If suddenly the Soviet Union should actually proclaim an economic blockade," Paleckis told me, "it would undoubtedly be a total catastrophe. Neither America nor Western Europe could significantly help us."

When I asked him to explain the CPL's position on Lithuanian independence, Paleckis declared:

Each has his own opinion. I believe that no one has the right to limit independence. Lithuania must obtain complete independence. It is now the end of the 20th century, a time of integration and union. It is possible

[28] *Kommunisticheskaya partiya Litvy—1989 g.* On the question of who best represented "the interests of Lithuania," Brazauskas won the approval of 73 percent of the respondents; Kazimiera Prunskiene, 47 percent; Berezov, 37 percent; and Vytautas Landsbergis, 12 percent. *Lietuvos Rytas* (Vilnius), Jan. 9, 1990.

[29] On the Lithuanian Freedom League, see Vardys, loc. cit., p. 58.

[30] Press conference in Vilnius, Jan. 12, 1990.

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that after a time Lithuania by the will of the majority will choose some kind of union or some kind of confederation. No one can force Lithuania to remain in the Soviet Union. If the Lithuanian people should sense that they would live better, more free, more democratically within the Soviet Union than outside of it, then perhaps. But that is a very difficult task.

During Gorbachev's visit in January, other prominent figures in Lithuania expressed different views. Antanas Terleckas, a leading nationalist and member of the Lithuanian Freedom League, argued that the path to Lithuanian independence lies in conflict, not parliamentary maneuvering. Romualdas Ozolas, one of the founders of *Sąjūdis* and now a member of the CPL Bureau, spoke of the possibility of Lithuania's membership in an East European common market but insisted that Lithuania would not be part of the Soviet Union. Vytautas Landsbergis told a press conference that Lithuania was already independent and it remained simply to negotiate the terms. Whatever Lithuania's future path might be, the Western tendency to reduce the question to a juxtaposition of Moscow and Lithuania's "independence," by ignoring the possibilities, nay the need, for negotiation, could well only increase the chances for violence.[31]

The decision of the CPSU Central Committee, on February 7, 1990, to break off "all ties" with the independent CPL and instead to recognize and support the "nighttime" Central Committee as the true Communist Party of Lithuania represented a victory for the conservatives and certainly a victory for the conservative *Yedinstvo* organization.[32] Russians probably made up a majority of the supporters of the pro-Moscow Communist Party of Lithuania. The "nighttime" Central Committee most likely spoke Russian in its meetings—the group's press conference in Vilnius for foreign correspondents was conducted mostly in Russian. Lithuanians like Burokevičius and Jermalavičius, moreover, had already made clear their own views of *perestroyka;* in 1988, Jermalavičius was called "Lithuania's Nina Andreyeva."[33]

The independent Communist Party of Lithuania, by contrast, undoubtedly continued to speak Lithuanian at its meetings. At the February 1990 plenum of the CPSU Central Committee, Brazauskas brought the discussions of Lithuania's independence to a head with his statement that "the members of the independent Communist Party of Lithuania wholeheartedly support the efforts of the Lithuanian people peacefully and democratically to recover the independence of the Lithuanian state." In response, Gorbachev reportedly sighed, "*Vse jasno*" (everything is clear).[34]

Denounced by Moscow as separatists and criticized by *Sąjūdis* for their connections with the past, Brazauskas and the independent Communist Party of Lithuania faced a new situation after the elections of February and March 1990 returned just 40 LCP members to Lithuania's Supreme Soviet and reduced Brazauskas to the position of opposition leader.[35] On March 11, under the control of *Sąjūdis,* the new legislature declared the restoration of the independent Lithuanian republic and elected Vytautas Landsbergis as its chairman, the president of the independent republic. Brazauskas voted for the resolution restoring the republic, but he rejected Landsbergis's effort to nominate him for the post of deputy chairman.

Even without a top position in government, Brazauskas still cast an imposing shadow over Lithuanian politics. Nikolay Medvedev, a Russian deputy to the Lithuanian Supreme Soviet from Kaunas, called Landsbergis a politician and Brazauskas an economist, and suggested that Brazauskas might well have been the better choice to negotiate with Moscow. Arvydas Juozaitis, one of the founders of *Sąjūdis,* called Brazauskas's ouster as president "a historic error." Landsbergis himself warned that Brazauskas's personal popularity could be interpreted as a sign of disunity in the Lithuanian ranks. Berezov in turn assured the Lithuanian Supreme Soviet that the CPL supported Lithuanian independence.[36] Some quarters argued that the president of Lithuania should be elected by popular vote rather than by parliament, a provision that would presumably favor Brazauskas. As of this writing, however, it remained to be seen what role he might yet play in the course of Lithuania's history.

[31]An account of my visit to Lithuania in January 1990, which coincided with Gorbachev's visit, can be found in *Akiračiai* (Chicago), Nos. 2–3, 1990.

[32]*Tiesa*, Feb. 9, 1990. For the stenogram of the plenum, see ibid., Feb. 13, 1990.

[33]On Burokevičius and Jermalavičius, see Senn, op. cit., Ch. 2; see also Jermalavičius's statements to me, cited in A. E. Senn, "With the Banner of *Akiračiai*," *Akiračiai*, No. 3, 1990.

[34]*Lietuvos Rytas*, Feb. 9, 1990.

[35]The pro-Moscow CPL won just five seats, mostly in the districts in Lithuania where Poles predominate; Burokevičius and Jermalavičius lost their bids for election to the Supreme Soviet.

[36]See Medvedev's and Berezov's statements in *Tiesa*, Mar. 15, 1990; Juozaitis's essay in *Lietuvos Rytas*, Mar. 15, 1990; and Landsbergis's warning in *Tiesa*, Mar. 14, 1990.

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Soviet Agriculture's Halting Reform

Karen M. Brooks

Persistent problems with agricultural production and food supply are impeding economic reform in the USSR and undermining public confidence in *perestroyka*. Empty shelves in state food stores and rising prices in other food markets disproportionately influence public assessment of the economic reform. Residents in one-fifth of 445 cities surveyed in 1989 reported coupon rationing for meat, while rationing of sugar was universal.[1] The volume of Soviet food imports rose in 1989, and domestic production also increased, but a major deterioration in distribution kept the amount of food marketed unchanged from 1988. Sharply higher world food prices increased the cost of imports and diverted funds away from technological modernization in agriculture and industry. Agriculture employs 19 percent of the total labor force and absorbs 17 percent of total investment in the USSR, yet despite this mammoth commitment of resources, the sector has failed to meet rising demand for food and fibers. The chronic subsidies to agriculture and writing-off of the losses of mismanaged farms drain huge sums from the state budget and the banking system, and serve to pass excess money into circulation.

Although a prosperous agriculture is essential for *perestroyka*, effective reforms have largely passed this sector by. It was not until late 1987 that Gorbachev's initial agricultural policy was put to serious scrutiny and found wanting. Deteriorating agricultural finances at the farm level and the burden of burgeoning agricultural subsidies on the state budget triggered a reassessment of agricultural policy that continued throughout 1988. The result was a concerted effort beginning in 1989 and continuing on into 1990 to effect a radical change in land tenure and contractual relations. This process was launched at the March 1989 plenum of the Central Committee of the Communist Party of the Soviet Union, which endorsed the principle of contract leasing of agricultural land. A new land law, which took effect March 15, 1990, strengthened the legal foundation for leasing of land and introduced a new type of tenure, the individual proprietorship. The law stopped short of legalizing private ownership of land, and disappointed those who argue that privatization is the only workable foundation for genuine agrarian reform.

Tenure reform is unquestionably of great importance, but without reform of pricing, marketing, and input supply, new tenurial arrangements function poorly and there is little incentive for producers to take advantage of them. Moreover, tenure reform alone will not provide the short-term boost in agricultural production and marketing that Mikhail Gorbachev and *perestroyka* desperately need. It is not only tenure reform, but more rational pricing, adequate supply of inputs, open marketing channels, and reasonable access to consumer goods that the more efficient of the state and collective farms, not to mention any new group of smallholders, need if they are to expand production rapidly. Unreformed prices and persistent input rationing tends to favor (one might say, keep afloat) the marginal state and

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[1] *'Ekonomika i Zhizn'* (Moscow), No. 6, 1990, p. 16.

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Table 1: Soviet Agricultural Production, 1981–1989

(millions of metric tons, unless otherwise specified)

Commodity	Annual-average output for 1981–85	1986–89	1987	1988	1989
Grain (uncleaned)	180.3	206.9	211.4	195.0	211.1
Grain (cleaned)	168.8	191.1	N.A.	180.2	196.4
Sugarbeets	76.4	88.9	90.4	87.8	97.5
Sunflower seed	5.0	6.1	6.1	6.2	7.0
Cotton (raw)	8.3	8.4	8.1	8.7	8.6
Potatoes	78.4	74.4	75.9	62.7	72.0
Vegetables and melons	33.3	33.9	N.A.	34.5	33.5
Fruits and berries	10.4	9.6	8.2	8.9	9.9
Grapes	7.1	5.7	N.A.	5.6	4.9
Meat (slaughter weight)	16.2	18.8	18.9	19.7	20.0
Milk	94.6	104.1	103.8	106.8	108.1
Eggs (billions)	74.4	82.7	82.7	85.2	84.6
Wool (1,000 tons)	457	469	461	476	474

SOURCE: "The Socio-Economic Development of the USSR in 1989," *Ekonomika i Zhizn'* (Moscow), No. 6, February 1990, pp. 15–19.

collective farms, i.e., those least able to boost production sharply in the short term. Moreover, radical tenure reforms profoundly threaten the assets of all state and collective farms and tend to push farm managers toward adopting a conservative position and defending a status quo that has hobbled the farms in the past.

Although food problems are real, the heightened sense of crisis cannot be attributed to supply problems alone. Production of most products actually increased moderately in the latter half of the 1980's. Production of grain, meat, and milk rose substantially, although not enough to meet production and consumption targets. The perception of a worsening food situation relates to issues of macroeconomic imbalance and a deteriorating transportation system. In the first instance, excess money supply shows up immediately in food markets, particularly in larger cities, to which people travel in search of consumer goods. In the second instance, a variety of factors—some traditional and some relating to *perestroyka* itself—have brought unusual disruption to transport and the distribution of domestic and imported food. These two factors merely compound the chronic problems of Soviet agriculture: rising production costs, waste and loss at all stages, financial stress, and disequilibrium in consumer markets.

The Supply Side

As noted, Soviet agricultural production generally expanded in the last half of the 1980's (see Table 1). Average yearly grain production in the last half of the decade was 15 percent higher than in the first half. Meat production was up 19 percent, and sugar beets and vegetable oil, as well as milk and eggs, also registered sizable gains. Production of potatoes and fruits declined, and output of cotton and vegetables remained virtually unchanged. The campaign against consumption of alcoholic beverages launched in 1985 brought a 20 percent decline in grape production; since grapes are perennial, the decline continued into 1989 despite slackening of the temperance campaign.

Although production problems clearly contribute to shortages of fruits, potatoes, and vegetables, the aggregate production picture alone does not seem to justify the rising sense of crisis. Rather, the culprit appears to be a dramatic deterioration in the distribution of this expanded output. Although transport bottlenecks, nationalist tensions, work slowdowns, and localized fuel shortages disrupted internal trade to some extent, the call for regional economic self-sufficiency issued last spring probably had a greater impact. At the March plenum, Gorbachev exhorted local party leaders to rely less on feed delivered from the all-Union fund and to do more to meet their own needs for food and feed from local sources:

As I already said, a dramatic increase in the role and responsibility of regions, districts, provinces, and republics in solving problems of food supply is an integral part of our agricultural policy. Here we must—I repeat again—decisively overcome dependency [on supplies from the center].[2]

[2] *Ekonomicheskaya Gazeta* (Moscow), No. 12, March 1989, p. 7.

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Vasiliy Deleu drives a tractor with a fodder-thrower distributing feed to some of the 2,000 calves he and two other men are raising on contract to the Zhovten' collective farm in the Mykolayiv oblast of southern Ukraine in September 1988.

—TASS from SOVFOTO.

Whether or not this exhortation had its intended consequence of spurring local production, it did dramatically reduce deliveries of grain by farm managers and local officials to the all-Union fund. Farms left state orders (*zakazy*) unfilled and instead attempted to retain or secure grain for their own feed needs. The liquidation of the all-Union super-ministry Gosagroprom in March 1989 and devolution of many of its powers to the union republics may also have encouraged regional self-sufficiency at the expense of the all-Union fund.

Whatever the reasons, during 1989, only 59 million metric tons of grain were delivered in fulfillment of state orders, against an original target of 86 million tons.[3] All the remaining grain appears to be under the control of republic-level authorities or the farms themselves. Adjusted 10 percent for dockage and waste, the 1989 grain procurements just cover the 53 million tons needed for food and industrial purposes. Thus, in 1990, feed dispensed by the central government will not exceed the amount of grain imported.

Reporting on the shortage of grain in the all-Union fund to a February 1990 Central Committee plenum, Vladilen Nikitin, chairman of the State Commission for Food and Procurement (the diminutive successor to Gosagroprom), stated:

The fact is that we were simply unable to procure as much grain as was called for in the plan confirmed by the Supreme Soviet. There wasn't that much grain. And we were unable to buy abroad the additional 5 million tons needed to maintain our commitments to the republics.

Today the situation is simply that there is no grain for feed. I am forced, in order to proceed correctly, to reduce delivery quotas of meat . . . . The grain is not there because we do not have the means.[4]

Curiously, this statement came against the backdrop of a good 1989 grain crop and the import of 1 million tons more of grain in 1989 than in 1988; moreover, imports were clogging the harbors for want of transport to the interior. Nikitin may have been overdramatizing matters in an attempt to obtain more hard currency for agricultural imports (in mid-February, the agricultural trade in

[3] *Sel'skaya Zhizn'* (Moscow), Jan. 30, 1990.
[4] *Pravda* (Moscow), Feb. 9, 1990.

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Table 2: Principal Soviet Agricultural Imports, 1970–1989

(1,000 metric tons, unless otherwise specified)

	1970	1975	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989[1]
Grain[2]	2,933	16,659	31,319	46,403	40,392	33,977	44,702	46,043	27,429	30,385	35,042	36,000
Meat[3]	165	515	821	980	939	985	805	857	936	858	719	
Eggs (millions)	33	767	737	556	526	530	451	378	387	196	168	
Butter	2	12	249	215	151	203	198	276	194	403	440	
Sugar (raw)	3,003	3,226	3,839	4,190	6,161	4,797	4,972	4,305	5,158	5,035	4094	
Sugar (refined)	—	4	1,056	963	1,115	1,128	732	195	23	20	127	
Oilseeds	43	424	1,155	1,459	1,582	1,422	696	924	2,062	1,927	1,397	
Oilseed meal	N.A.	73	546	737	1,661	2,411	325	696	375	2,800	298	
Vegetable oil (edible)[4]	65	61	446	698	946	799	766	813	451	825	342	

— = None or negligible; N.A. = Not available.

[1]Preliminary trade data indicate that the volume of food imports in aggregate increased more than 20 percent in 1989. See *Ekonomika i Zhizn'* (Moscow), No. 6, February 1990.

[2]Data for 1976–79 and 1981–84 are only estimates; official Soviet sources report only value.

[3]Does not include live animals.

[4]Includes FAO estimates for linseed oil, 1979–84.

SOURCES: *Vneshnyaya torgovlya SSSR* (USSR Foreign Trade), Moscow, Finansy i statistika, annual volumes; *Narodnoye khozyaystvo SSSR v. 1986 g.* (The USSR National Economy in 1986), Moscow, Finansy i statistika, 1987; and *Vneshniye ekonomicheskiye svyazy SSSR v 1988 g.* (The Foreign Economic Relations of the USSR in 1988), Finansy i statistika, 1989.

the United States was alarmed that Soviet buyers were not making payments for grain on time).[5] But he may also have been speaking to emerging realities. That state procurement of grain fell one-third short of planned levels in 1989 was not in itself a disaster, provided that the farms keeping the grain or buyers other than the state fund were making good use of the grain in their hands. The demise of the all-Union fund as a source of feed is problematical only if wholesale trade does not develop sufficiently to take the place of centralized distribution of grain. This may not have happened in 1989, or managers of livestock operations may not have yet adjusted to the change, but with large quantities of grain at the disposal of republic-level authorities or farm chairmen, genuine wholesale trade at negotiated prices might take a quantum leap in 1990.

Deliveries of meat and milk to the all-Union fund also fell short of expectations in 1989, although by a lesser margin than did grain deliveries. Nikitin's reduction in 1990 delivery quotas for meat may reflect a fait accompli, as producers are already delivering less. Meat-producing regions are reluctant to offer animal products to the central government under current pricing policies. In the past, republic budgets paid the subsidy on meat delivered to the all-Union fund and then were reimbursed by transfers from the all-Union budget. Negotiations on republic-level economic autonomy currently going on with the Baltic republics, and with other republics as well, cast doubt on whether such reimbursements will continue. Without them, the producing regions recover only one-half to one-third of the cost of delivering meat to the all-Union fund. Another factor contributing to the shortfall in meat deliveries to the all-Union fund is the excess amount of rubles in circulation, which leads to a countrywide excess demand for animal products in local markets.

Soviet imports of food remained at high levels throughout the last half of the 1980's (see Table 2). Grain imports, which neared record highs in 1985, fell in the following year, and have fluctuated in the vicinity of 35 million tons for the last three years. Imports of meat, vegetables, fruit, and sugar remained at stable, relatively high levels. Imports of oilseeds and oilseed meal soared in 1986 and 1987 with the decision to try soy as a protein supplement again.

Western analysts of the Soviet grain trade have tried for years to establish a predictive link between Soviet grain imports, on the one hand, and such factors as domestic production, herd size, or hard-currency earnings, on the other hand. Analysts at the US Department of Agriculture have traced a striking linkage between Soviet imports and domestic procurements. Their regression analyses indicate that when procurements during a calendar year (including both winter and

[5]"Soviets and Western Bankrollers Collide," *Corn/Bean Profit Alert* (Cedar Falls, IA), Mar. 15, 1990, p. 2.

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Table 3: World Wheat Prices

(US dollars per metric ton)

	US Gulf ports, hard winter, f.o.b.[1]	Rotterdam No. 2 dark northern spring, c.i.f.[2]
1980	176	213
1981	176	210
1982	161	187
1983	158	185
1984	153	180
1985	137	169
1986	117	148
1987	114	141
1988	146	165
1989		
Jan.	175	205
Feb.	173	207
Mar.	179	192
Sept.	164	180

[1]Free on board, i.e., excluding transportation costs.
[2]Includes insurance and transportation costs from port of loading to Rotterdam.

SOURCE: *Wheat Outlook and Situation Report* (Washington, DC), USDA ERS, November 1989.

spring grain harvests) deviate from the prior year's level, imports during the July-to-June trade year roughly compensate for the difference.[6] There is, of course, no guarantee that the processes driving trade in the 1970's and 1980's will continue to do so in the 1990's, but the linkage between procurements and imports does highlight the role of imports as compensation for shortfalls in domestic *marketing* activity, rather than in *production*. The situation is particularly stark this year, when, with a relatively abundant crop, the state has failed to move it into the all-Union fund for redistribution.

The availability of cheap grain in the mid-1980's and subsidized imports after 1985 permitted authorities to postpone marketing reforms, but the cheap grain is now gone. Total world wheat stocks are now at about 20 percent of annual world use. The stocks-to-use ratio has not been this low since the global shortages of 1973–74, and the drought continues in much of the American Midwest. Grain prices turned sharply higher in 1988–89 (see Table 3). The per unit subsidy on wheat paid to US producers under the Export Enhancement Program has accordingly dropped from about US$40 a ton in May of 1986 to $20 in March of 1989, and since then to $10, the difference being made up by the foreign (e.g., Soviet) purchaser.

Initiation of the payment for some Soviet domestic grain procurement in hard currency (at approximately half the world price for commercially traded unsubsidized wheat) has had very little effect so far on total Soviet state domestic procurements; purchases for hard currency constituted less than 1 percent of domestic procurements of high quality wheat.[7]

The Demand Side

Although Soviet per capita average consumption of major food items (except fruits and vegetables) has reportedly increased in the last half of the 1980's (see Table 4), so has consumer dissatisfaction. This apparent paradox demonstrates that the food problem cannot be solved solely on the supply side.

The all-Union averages shown in Table 4 conceal wide regional variations in diet. These reflect differences in demography, income levels, and access to rationed commodities. For example, meat consumption in the Baltic republics is about 80 kilograms per capita, and in Uzbekistan, only 29.5. In Uzbekistan, per capita consumption of a number of products has declined since 1985, and meat consumption in the republic does not differ much from levels in urban China.[8]

Even in areas relatively well supplied with food, excess demand grew in the last half of the 1980's. In 1989, money incomes rose by 12.8 percent over 1988. Production of meat and milk, for which income elasticities are still high, increased only 1 percent in the same period. People flocking to Moscow, Leningrad, and major cities in the Baltic republics in search of consumer electronics, housewares, and clothing added to disequilibrium in food markets there. In some areas, purchase of nonfood items has been limited to local residents, identified by passport. To the extent that this rationing is effective, it shifts demand to food markets.

The excess demand is evident in the growing differences between prices on collective farm markets and official state prices (see Table 5). The increased reliance of consumers on collective farm markets (with rising prices) and consumer cooperatives (also with prices higher than official state levels) has accustomed many to higher food prices; this could ease the psychological adjustment to eventual reform of state prices.

Regional differences in the availability of food make irrelevant the published official norms for consumption shown in Table 4. People in the Baltic republics have al-

[6]Christian J. Foster and Edward C. Cook, "Imports and Procurements," *USSR Agriculture and Trade Report* (Washington, DC), USDA ERS RS-89-1, May 1989, p. 49.

[7]*Sel'skaya Zhizn'*, Jan. 30, 1990.
[8]*Narodnoye khozyaystvo Uzbekskoy SSR, 1987* (The National Economy of the Uzbek SSR in 1987), Tashkent, "Uzbekistan," 1988, p. 238.

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Table 4: Soviet Per Capita Food Consumption

(in kilograms, unless otherwise specified)

Year	Meat and fat	Fish and fish products	Milk and milk products[1]	Eggs[2]	Sugar	Vegetable oil	Potatoes	Grain[3]	Vegetables and melons	Fruit and berries
1950	26	7.0	172	60	11.6	2.7	241	172	51	11
1960	40	9.9	240	118	28.0	5.3	143	164	70	22
1970	48	15.4	307	159	38.8	6.8	130	149	82	35
1980	58	17.6	314	239	44.4	8.8	109	138	97	38
1981	57	18.0	304	247	44.5	9.1	104	137	99	40
1982	57	18.4	295	249	44.5	9.3	110	137	101	42
1983	59	17.4	313	256	44.3	9.6	109	134	102	44
1984	61	17.5	319	258	44.0	9.5	108	133	102	48
1985	62	18.0	325	260	42.2	9.7	104	133	102	48
1986	62	18.6	333	268	44.4	9.8	107	132	102	56
1987	64	18.0	341	272	47.2	10.0	105	132	100	55
1988	66	17.6	351	275	46.8	10.1	98	131	101	55
1989	67	N.A.	359	270	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1990 plan	70	19.0	330–340	260–266	45.5	13.2	110	135	126–135	66–70
Consumption norm	82	18.2	434	292	36.5	9.1	97	121	146	113

[1]Including milk equivalent of butter.
[2]Number.
[3]Flour equivalent.

SOURCES: for most years, *USSR Agriculture and Trade Report. Situation and Outlook Series,* (Washington, DC), USDA ERS RS-1, May 1989, p. 33; for 1984, *Vestnik Statistiki* (Moscow), No. 3, 1986, p. 57; for 1988, *Narodnoye knozyaystvo SSSR v 1988 g.* (The USSR National Economy in 1988), Moscow, Finansy i statistika, 1989, p. 118; for 1989, *Pravda* (Moscow), Jan. 28, 1990; and for consumption norms, *Narodnoye blagosostoyaniye SSSR* (*National Welfare in the USSR*), Moscow, Ekonomika, 1983, p. 165.

ready reached the consumption norm, and those in poorer parts of the country are far from doing so; yet, both groups are dissatisfied.

The consumption data relate only to quantities. Consumers also regularly complain about quality. Random checks conducted by the state's trade inspectors show a remarkable doubling and sometimes tripling since 1985 of the quantities of food products found to be substandard and either marked down or removed from trade.[9] The deterioration in 1989 was substantial, and may be linked with the general decline in distribution and marketing.

Financial Crisis

Soviet agriculture faces financial crisis at two levels: that of the individual collective and state farms, and that of the overall state budget.

Crisis on the farms. Farm debt grew dramatically in the 1980's, both in absolute terms and as a proportion of total bank indebtedness (see Table 6). In 1982, the state wrote off 9.7 billion rubles of farm debt in conjunction with adoption of the Food Program, but the lending capacity of the banking system was simply replenished with an amount of funds equal to the amount written off, as funds frozen in bad debts were released. The consequence was a new round of inflationary lending.[10] In the December 7, 1989, issue of *Sovetskaya Rossiya,* USSR Minister of Finance V. S. Pavlov announced that 73.5 billion rubles (approximately half of the total outstanding farm debt) would be written off. The write-off is in some respects of little consequence, since the inflationary impact of injudicious agricultural lending has already been absorbed, and there was little likelihood that these debts would be recovered.

The latest debt-relief measure does not appear to require genuine financial restructuring at the farm level or

[9]*Ekonomika i Zhizn',* No. 7, February 1990, p. 12.
[10]V. Semenov, *Prodovol'stvennaya programma i finansy* (The Food Program and Finances), Moscow, Finansy i statistika, 1985.

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to place more stringent controls on borrowing and lending. All debt of farms affected by the Chernobyl' nuclear disaster as well as of those recently converted into agricultural subsidiaries of industrial enterprises will be unconditionally forgiven. Other farms will be allowed to write off debt in proportion to the share of their assets that is contracted out to the use of lessees under reform provisions. (As noted below, it is not clear how genuine leaseholds will be distinguishable from pro forma ones.)

If the debt write-off releases more funds for agricultural lending, who will get the loans? In the past, managers of collective and state farms have effectively lobbied for loans. Will they continue to receive liberal credit, and allow it to trickle down to leaseholders only at their discretion? Or will direct credit lines afford leaseholders a modicum of independence? In recent months, Soviet banks report an increasing number of applications for loans from small leaseholders and proprietors, but bank administrators complain that the payoff from these small loans at low interest rates does not justify the time required to process them. In a word, there is no sign of reform of agricultural financial institutions and lending practices that would prevent a new round of inflationary lending and better serve a new clientele of smallholders.

The debt write-off—intended to spur tenurial reforms—may in fact retard more radical reorganizations. According to the latest published timetable, "toward the end of 1991, bankrupt collective and state farms will be reorganized as individual farms, cooperatives, etc."[11] But, after the debt write-off, it will be difficult to single out inefficient farms, and most will carry on much as before.

Macroeconomic financial burden. The agricultural financial crisis also remains serious at the level of the USSR state budget. The direct subsidy covering the difference between costs to procure, process, and transport food and the low state retail prices for food sales in 1989 came to 87.8 billion rubles, and the bill is expected to grow to 95.7 billion in 1990.[12] This is approximately 11 percent of the Soviet Union's gross national product. Three-quarters of the agricultural subsidy pays for meat and milk, as is shown in Table 7.

The enormous subsidies were spurred in part by procurement price increases and special bonuses introduced in 1983. The subsidies have continued to rise—growing some 70 percent in nominal terms (i.e., without adjustment for inflation) since 1985 as increasing numbers of farms qualified for the bonuses targeted to bolster financially weak farms. Higher levels of production and imports also inevitably pushed the subsidy bill up. (In addition to the price subsidy, there are also significant budgetary expenditures for agricultural investment and operating expenses.)

Table 5: Collective Farm Market Prices Relative to State Retail Prices

(State prices = 100)

	1980	1985	1986	1987	1988
All products	257	263	263	272	280
Plants products	265	265	263	275	283
of which:					
Potatoes	360	351	361	345	377
Vegetables	250	269	269	282	262
Fresh cabbage	425	406	412	458	398
Onions	199	260	257	212	213
Beets	678	661	628	725	687
Carrots	494	464	470	490	449
Fruit	238	222	212	230	258
Vegetable oil	172	193	198	207	206
Animal products	242	257	260	264	271
of which:					
Meat	239	253	256	259	266
Milk products	323	383	402	410	423

SOURCES: *Ekonomika i Zhizn'* (Moscow), No. 6, February 1990; and *Narodnoye khozyaystvo SSSR v 1988 g.* (The USSR National Economy in 1988), Moscow, Finansy i statistika, 1989, p. 133.

The way the agricultural price subsidies work also contributes to macroeconomic imbalance. Increased procurement prices alone do not explain the increase in the size of the subsidies. Under the existing bonus system, marginal producers who manage to effect small production increases receive increased funding. Prices and earnings for lower-cost producers have increased more moderately, and have not kept pace either with the rise in the general domestic price level or rises in world prices.

The food price subsidy has encroached on important social welfare programs in relative terms.[13] Whereas budgetary expenditures for health and education in 1987 were 48 percent higher than during 1976–80, the food subsidy bill was 170 percent higher (see Table 8). The safety net of social welfare programs—including unemployment insurance for the transitionally unemployed and welfare for the marginally employable—needed to encourage greater labor mobility will be difficult to finance unless the pressure of agriculture on the state budget is relieved.

[11] *Ekonomicheskaya Gazeta*, No. 43, October 1989, p. 7.
[12] Ibid., No. 40, October 1989, p. 11.
[13] Gur Ofer, "The Welfare State in Soviet Economic Reform: Also Converging?" Paper presented at the Allied Social Science Association Annual Meeting, December 28–30, 1989, Atlanta, GA.

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From Collective Contracts to Leasing

The halting pace of Soviet agricultural reform has disappointed many observers. Although the March 1989 Central Committee plenum marked a turning point in rural reform, many inside the USSR and abroad were disappointed that the plenum yielded very few concrete measures and postponed reform of pricing of agricultural products and food. The tenurial reforms set in motion at that meeting have not yet generated major increases in supply, a fact that highlights the impediments inherent in current pricing, marketing, and financing arrangements, which will ultimately require their own thoroughgoing reforms.

It is unfortunate that agricultural reform is so late in starting, for the costs of adjustment are greater now than they would have been in 1985: consumer markets are farther out of equilibrium, the ruble overhang is larger, and world prices are higher. In 1985, Soviet producers receiving 100 rubles per ton of grain did not seem particularly disadvantaged compared to American producers receiving $116 in 1985 and $86 in 1986. Now, with the ruble overhang yielding an exchange rate of 11 rubles to the dollar on the legal, albeit thin, foreign exchange auction market in January 1990, and world wheat prices ranging from $150 to $200 per ton, 100 rubles per ton is a very low price. It is now more difficult to align Soviet producer prices with world prices. Moreover, a radical price reform and opening to world markets in 1985 might have allowed the Soviet agricultural economy to benefit instead of suffer from the strong grain prices of the late 1980's and early 1990.

Instead, the Gorbachev agrarian program for the first four years of *perestroyka* was limited to the establishment of Gosagroprom, promotion of the "collective contract,"[14] emphasis on "intensification" of farm production through encouragement of proper agronomic practices and the use of more inputs, and minor changes in marketing procedures in 1986. Output did increase under this program, as is evident from Table 1, but not enough to meet the ambitious targets for production and consumption. Costs of production also increased, as shown in the rapidly rising subsidy burden and escalating farm debt.

The collective contract. The centerpiece of the early Gorbachev agricultural program was the collective contract. Such contracts began to appear in significant numbers in the early 1980's, and the approach was increasingly associated with Gorbachev personally after 1983.[15] Under a collective contract, a group of workers negotiates with the farm management to perform a set of tasks in exchange for a specified payment. The group assumes the responsibility for monitoring the performance of its members and divides earnings—a residual of farm income—accordingly.

These contracts specified detailed labor norms and bonus payments for different tasks, usually drawing upon pre-existing norms. Brigades were encouraged to use the "coefficient of labor participation" in monitoring work and apportioning bonuses among themselves, which essentially amounted to the work-point system of the pre-Brezhnev era. The collective contract, as originally conceived, was consistent with Yuriy Andropov's effort to instill tighter labor discipline. Workers who violated discipline could be docked points in the final division of earnings. Since the pay of each brigade mem-

[14]A. G. Aganbegyan, "Basic Directions of Perestroika," *Soviet Economy* (Washington, DC), October–December 1987, pp. 277–97.

[15]Analysis of the collective contract in agriculture and the optimistic assessment in 1987 of its potential by Soviet commentators and some foreign observers can be seen in V. P. Gagnon, Jr., "Gorbachev and the Collective Contract Brigade," *Soviet Studies* (Glasgow), January 1987, pp. 1–23. See also Karl-Eugen Wädekin, "The Re-Emergence of the Kolkhoz Principle," ibid., January 1989, pp. 20–38.

Table 6: Agricultural Debt Relative to Total Bank Debt

(billions of rubles)

	1960	1965	1979	1975	1980	1985	1987	1988
Total bank debt	46.5	74.0	126.2	204.0	342.5	521.3	432.1	404.6
Total agricultural debt	5.4	8.4	19.4	48.4	100.0	139.4	148.0	144.3
of which:								
Short-term	3.0	4.5	8.6	25.5	57.6	82.3	87.0	81.6
Long-term	2.4	3.9	10.8	22.9	42.4	57.1	61.0	62.9
Agric. debt as percent of total	11.6	11.3	15.3	23.7	29.2	26.7	34.2	35.7

SOURCES: *Narodnoye khozyaystvo SSSR v 1980 g.* (The USSR National Economy in 1980—hereafter, *Narkhoz*), Moscow, Finansy i statistika, 1981, p. 528; *Narkhoz 1987*, Moscow, 1988, p.595; and *Narkhoz 1988*, Moscow, p. 629.

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Table 7: State Subsidies to Cover Price Differences for Selected Commodities

(billions of current rubles)

	1960	1965	1970	1975	1980	1985	1986	1987	1988	1989
Meat and poultry	1.4	2.8	8.8	12.2	14 0	26.6	27.8			
Fish	0.1	0.1	0.2	0.2	0.2	2.2	1.8	N.A.	N.A.	N.A.
Milk	N.A.	N.A.	2.1	4.0	7.5	18.9	19.2	N.A.	N.A.	N.A.
Grain	N.A.	0.3	0.8	0.6	0.8	4.4	4.4	N.A.	N.A.	N.A.
Potatoes, vegetables, canned goods	N.A.	N.A.	0.2	0.7	1.4	3.0	3.7	N.A.	N.A.	N.A.
Sugar	N.A.	N.A.	N.A.	N.A.	N.A.	1.0	1.2	N.A.	N.A.	N.A.
Total	1.5	3.2	12.1	19.7	23.9	56.0	57.9	65	77	88
As percent of state budget	2.1	3.2	7.8	9.2	8.1	14.5	14.0	N.A.	N.A.	N.A.

SOURCE: V. Semenov, "Improving the Financial Mechanism of the Agro-Industrial Complex," *Ekonomika Sel'skogo Khozyaystva* (Moscow), No. 9, 1987, p. 35; idem, "Economic Accountability and Self-Financing," *APK* (Moscow), No. 3, 1989.

ber depended at least in part on the performance of the team, tolerance for widespread shirking and lax discipline was expected to diminish.

Many of the original brigades were large: the average size in reported data is 25, but many were larger still. Membership was diverse and not self-selected, making the work-point system cumbersome and costly to administer.

The collective contract brought higher, not lower production costs. As one Soviet observer stated: "Contract collectives tried to increase output at any price, and did not take costs into account."[16] Workers negotiated wage increases as the price for monitoring themselves. Few brigades bothered to use the work-point system, and instead distributed bonuses in proportion to base pay. The old base wage became the advance payment, and payment according to output functioned much as the bonus under the old system. Higher wages coupled with poor control over purchased inputs pushed costs of production up.

The collective contract brigade proved to be an unstable organization. Between 1985 and 1987, many brigades dissolved and reconstituted themselves in an attempt to lower monitoring costs. Increasingly, the brigades reported as successful in the press were small ones, although the official aggregate data do not show much reduction in the size of brigades. The aggregate data conceal the wholesale pro forma rechristening as "collective contract brigades" of the large work units (also known as brigades) into which collective and state farms have traditionally been divided.

That the collective contract would not work could have been seen at the microeconomic level even before it was promoted at the all-Union level in 1985. Rigorous empirical analysis of the experience of farms that adopted the collective contract would have shown that costs per unit increased, indicating that it was not an appropriate policy for increasing efficiency. In a failure both of *glasnost'* and of the Soviet agricultural economics profession, the evidence was neither carefully analyzed nor presented.

Promotion of the collective contract occurred when the press was already very openly exposing the ills of the Brezhnev era. But, as a policy intimately linked with Gorbachev personally, the collective contract remained generally immune from candid criticism. In 1985, the General Secretary apparently needed to believe and to convince others that it would work, and the traditional campaign mechanisms—simulated grassroots enthusiasm, compliant researchers, and a self-censored press—accommodated him. It is paradoxical that Gorbachev began his remarkable and salutary course toward pragmatism and reform by overseeing what one hopes was the last of the great old-fashioned campaigns.

As the Soviet leader became identified with a more diversified program of political and economic reform, he could admit that the collective contract was a failure. A hint of what was to come could be found in the agricultural press, which began to substitute profiles of successful leaseholders (*arendatory*) for the once-obligatory paeans to collective contract brigades, and to include reports of brigades reconstituting themselves under new lease contracts.[17] At the March 1989

[16] *Sel'skaya Zhizn'*, Aug. 2, 1988.

[17] Karen M. Brooks, "The Law on Cooperatives, Retail Food Prices, and the Farm Financial Crisis in the USSR," Staff Paper P88-29, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, MN, September 1988.

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Table 8: Total Expenditures of the Social Consumption Fund, 1960–1987

(billions of rubles)

	1960	1971–1975	1976–1980	1981–1985	1985	1986	1987
Total	36.8	105.8	139.4	190.0	214.8	226.8	242.4
Holiday pay	4.5	11.0	14.4	17.4	18.5	19.1	20.0
Total (excluding holiday pay)	32.3	94.8	125.0	172.6	196.3	207.7	222.4
Money transfers	10.0	32.1	43.7	57.6	63.4	68.9	71.4
Total social insurance	9.4	30.3	41.3	55.1	60.8	66.3	68.7
Pensions	7.1	21.0	29.1	40.1	44.9	49.3	51.7
Collective farmer social fund	N.A.	2.2	3.0	3.5	3.1	4.0	3.8
Allowances	2.3	7.0	9.2	11.5	12.8	13.0	13.2
Sick leave	1.3	4.7	6.1	7.1	7.4	7.4	7.3
Maternity leave	0.5	1.2	1.5	2.9	3.8	4.0	4.2
Child allowances	0.5	1.1	1.5	1.6	1.6	1.7	1.7
Non-money transfers	22.3	62.7	81.4	115.0	133.0	138.8	151.0
Subsidies[1]	7.1	21.6	30.2	52.9	65.3	67.8	75.3
Food subsidies	5.4	17.3	24.2	44.6	56.0	58.0	64.9
Housing subsidies	1.7	4.3	6.0	8.3	9.3	9.8	10.4
Free service	15.2	41.1	51.2	62.1	67.7	71.0	75.7
Education	9.1	26.1	32.6	39.2	43.1	45.3	48.1
Health and physical fitness	5.7	13.4	17.2	21.0	22.5	23.5	25.3
Other social payments	0.4	1.6	1.4	1.9	2.1	2.2	2.3

[1]The source included an additional category "Other" under "Subsidies," but stated that no data were available.

SOURCE: Adapted from Table 1 in Gur Ofer, "The Welfare State in Soviet Economic Reform: Also Converging?" Paper presented at the Allied Social Science Association Annual Meeting, December 28–30, 1989, Atlanta, GA.

plenum, Gorbachev reaffirmed his commitment to the collective contract, but acknowledged: "Experience has shown that there now exist more radical forms of management, based on long-term leasing of land and other means of production with full financial independence." He then specifically advocated the adoption of lease contracts, to last 25 or even 50 years.[18]

Lease contracts. Under a lease contract, an individual or small group of individuals agrees to lease assets belonging to a state or collective farm or individual proprietor in exchange for a rental payment. Lease contract groups are small and self-selected, and members are often related. The lessees do not receive a guaranteed wage, but instead draw their earnings as a residual or share of farm proceeds or profits. In the past, only state or collective farms could be the lessors, but under the land law adopted on February 28, 1990, individual proprietors will also be able to lease out land.[19]

The lease contract has two main forms: the "targeted" or "share" lease, and the "free" or "fixed-rent" lease. The more common form is the targeted lease contract, which binds producers quite closely to the parent farm. As implied above, such contracts may, in fact, consist of repackaged traditional labor contracts, but in their new form, a family, individual, or small group contracts to manage a portion of the farm's assets, including land, machinery, animals, and structures. The parent farm purchases and resells to the lessee all inputs and markets all output. The contract specifies quantities of inputs that will be available and their prices, and sets a target quantity of output that should be delivered to the farm in fulfillment of the contract. "Rent" is collected as the difference between the price the lessee receives for output and the price at which the farm resells that output to the state procurement organizations.

If the contracted minimal sale is enforced, the lease becomes a combination of a fixed-rent and a share contract, the fixed rent being the difference between the contractual price and procurement price times the specified minimal delivery. Earnings on deliveries above the contracted minimum are shared, with the share determined by the ratio between the contractual and procurement prices. It is not likely that minimal deliveries can be enforced; hence, the targeted lease contract is best considered a share contract with threat of revocation in the following period if deliveries fall below the minimum. Another form of share contract is

[18]*Sel'skaya Zhizn'*, July 30, 1988.
[19]*Ekonomika i Zhizn'*, No. 11, March 1990, p. 17.

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based on share of profit, not share of crop.

Targeted leases are intended now to be the main form of leasing. As long as farm managers are themselves still subject to state orders and sales quotas, they prefer targeted leases, which allow them to retain control over the product mix and input distribution.

The second form of lease is the free or fixed-rent contract lease. This is considered suitable for land and assets for which the manager of the parent farm has little alternative use. Small livestock operations in the non–black soil zone far from the central farm, or orchard, vegetable, and flower operations too labor-intensive for the parent farm to manage effectively are offered on fixed-rent leases. Lessees under free leases market their own output, although they may market through the parent farm if both sides agree. They also can have their own bank accounts ("targeted" leaseholders usually get their credit through the parent farm).

Implementation of leasing reform. Data on adoption of lease contracting are scarce and unreliable. There appears to be no reliable mechanism in place to monitor implementation or distinguish new contractual forms from old. Fragmentary data corroborate the anecdotal evidence that few people are signing leases. As of mid-1989 in the Russian republic, 43 percent of collective and state farms reported that they had signed at least one contract, but only 9 percent of agricultural workers were working under leases, some of which were undoubtedly not true leaseholds.[20] At the end of 1989, some 4,911 state and collective farms in the USSR (9 percent of the total) reported leasing activities, but it is unclear whether all or only part of their assets were leased.[21] As noted above, the December 1989 offer of debt relief for those farms that lease assets will increase the "adoption" of leasing, but the officials at the district (*rayon*) level charged with monitoring compliance lack the means to distinguish between genuine leaseholds and older labor arrangements.

Several reasons are cited for slow adoption of leasing: (1) farm managers do not want to give up control over their assets; (2) potential lessees fear being completely dependent on the farm manager for supply of inputs and for marketing of output; (3) lessees take on greater risk in exchange for expected returns that may not exceed the guaranteed wage; (4) shortages of consumer goods limit the value of any increased earnings a leaseholder might earn; (5) the current pricing and marketing system discriminates against quasi-independent operators; and (6) leases do not assure tenure even if they are written for as long as 50 years.

Various pieces of legislation adopted or under consideration in recent months could serve to bolster the legal status of independent agricultural producers, although little has yet been done to improve their economic viability. The Basic Law of the USSR and the Union Republics on Leasing, issued in draft form in September 1989, was formally passed on November 23, 1989, and took effect on January 1, 1990.[22] The new law on ownership was passed on March 6, 1990, effective July 1, 1990.[23] Finally, as noted earlier, a new land

Beshbay Daniyarov works on a farm that his and another family operate jointly in the Kashka-Darya region of Uzbekistan; with the approval of the district executive committee they were supplied with building materials, fodder, farm machinery, and a loan of 20,000 rubles to set up the venture.

—TASS from SOVFOTO.

[20]Vasiliy Boyev, *Razvitiye arendnykh i podryadnykh otnosheniy v agropromyshlennom komplekse (rekomendatsii)* (The Development of Lease and Contract Relations in the Agro-Industrial Complex [Recommendations]), Moscow, VNIESKh, 1989.

[21]*Ekonomika i Zhizn'*, No. 6, February 1990, p. 15.

[22]*Ekonomicheskaya Gazeta*, No. 49, December 1989, pp. 14–15.

[23]*Ekonomika i Zhizn'*, No. 12, March 1990, p. 4.

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law was adopted by the USSR Supreme Soviet on February 28, 1990, and took effect on March 15, 1990.

Although these pieces of legislation strengthen the legal foundation for property relations that deviate from those of traditional collectivized agriculture, they contain ambiguities and contradictions. For example, the various legislative measures highlighted the distinction between proprietorship (*vladeniye*) and ownership (*sobstvennost'*) of land. A proprietor cannot buy, sell, or mortgage the asset, while an owner has full rights of disposition, including sale and mortgage. The leasing law and the drafts of the land and ownership laws all sanctioned individual proprietorship of agricultural land, but prohibited full private ownership. The implicit prohibition on "ownership" proved one of the most controversial aspects of the land law. In late January 1990, the commission of the Supreme Soviet charged with drawing up the final form of the land law was reported to be leaning toward substituting ownership for proprietorship, but still advocated specifying restrictions on purchases and sales of agricultural land.[24] When the bill was finally adopted on February 28, it did not allow private ownership of land, only proprietorship.[25]

The three pieces of legislation have conflicting language regarding who will distribute the land, and say little about how it will be done, other than to note that laws at the level of the republic and autonomous region will govern procedures for reassigning state and collective farm land to individual proprietors and leaseholders. Whatever the ambiguity of these laws, the intent seems to be to prevent farm managers from unilaterally thwarting the desire of agricultural workers to have access to land under new contractual relations.

People seeking leaseholds in the past expressed resentment over the monopoly power of farm managers both to set the terms of the lease and to interfere in production decisions during the duration of the contract. There are no systematic reported data yet on terms of leases, but reports from the agricultural press suggest that farms are exacting high rental fees from leaseholders. In an example reported from Tselinograd oblast, a leaseholding brigade sold wheat to the parent farm for 7 rubles per centner (equal to 220.46 pounds), and the farm resold it to the procurement agency for 13 rubles.[26] It is unclear from the account who paid for seed, fuel, fertilizer, and other purchased inputs, but these are usually paid in full by the lessee. The leaseholder's share (54 percent) in this case seems quite low if there is no cost-sharing. Another set of contractual prices, reported from Orel oblast, is also quite low (see Table 9). These prices suggest that the parent farm receives between 20 and 50 percent of output, although the full parameters of the contract are not reported. The share is probably even higher, since the money received by the farm is augmented when deliveries exceed the level of state orders; these bonus payments are not passed on to the lessees.

Table 9: Contract Prices and State Procurement Prices at the Vyshne-Ol'shanskiy State Farm, Orel Oblast, 1988

(rubles per centner)

	Contract price	Procurement price
Grain	5.89	10.50[1]
Sugar beets	2.75	5.40[2]
Potatoes	8.28	10–16[3]
Milk in winter	28.00	36.20[4]
Milk in summer	18.00	36.20[4]

[1]This is the average price for wheat in the RSFSR. The zonal price for Orel oblast may be lower, but not less than 9.7 rubles. The price for this individual farm may differ from the zonal price. Rye is also grown in Orel oblast. The state procurement price for rye on average in the RSFSR is 15 rubles per centner.
[2]Average for the RSFSR.
[3]Depending on quality and time of delivery.
[4]Average for the RSFSR, all seasons.

SOURCES: *Sel'skaya Zhizn'* (Moscow), Aug. 2, 1988; and A. M. Chursin, *Tseny i kachestvo sel'skokhozyaystvennoy produktsii* (Prices and the Quality of Agricultural Output), Moscow, Kolos, 1984.

The question of whether share contracts are inherently inefficient and/or exploitative of tenants in market economies has generated a rich literature.[27] Throughout much of the developing world share rents are on the order of 50 percent, but these contracts are usually complex agreements including risk-reduction and insurance for lessees, sharing of the costs of purchased inputs, and provision of credit. Crop share rents are not uncommon in Minnesota now, and landlords' shares range from one-third on poorer land to one-half on better land.[28] Again, these share contracts include very substantial sharing of costs.

By contrast, Soviet share contracts (targeted leases), according to the fragmentary and anecdotal evidence available, appear to have high shares for the parent farm and little if any cost-sharing. The rent collected as the difference between the leaseholder's sale price and the farm's procurement price pays for land use (and costs, if any, associated with marketing the fi-

[24]*Sel'skaya Zhizn'*, Jan. 21, 1990.
[25]See fn. 19.
[26]*Sel'skaya Zhizn'*, Jan. 29, 1988.
[27]See, e.g., Pranab Bardhan, *The Economic Theory of Agrarian Institutions*, New York, Oxford University Press, 1989.
[28]Kenneth Thomas, "Land Rental Arrangements for Minnesota 1990," Minnesota Extension Service FM66l, St. Paul, MN, 1989.

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nal product). The leaseholder pays for purchased inputs either at the price the parent farm pays, or at an internal accounting price for inputs produced on the farm, such as feed or seed.

At 40 percent of output, rents exacted from Soviet leaseholders probably exceed the land's contribution to output. For example, in production functions measured from Lithuanian farm-level data, the contribution of land to variation in net output ranges from 5 percent to 15 percent.[29] Although technology and factor proportions differ greatly throughout Soviet agriculture, many farm managers appear to be using their monopoly power to exact high rents from leaseholders.

Concern about the level of rental payments has manifested itself in two ways. The leasing law and the law on land both assign the rural soviet of people's deputies the power to secure a land allotment (either leasehold or proprietorship) for any applicant qualified to work it. Workers dissatisfied with the terms offered by their farm manager can apply to the soviet, but the extent to which the latter will be able to offset the manager's monopoly power has not yet been tested. There is also a growing demand for standard procedures for valuing contracted assets, particularly land. In the absence of markets for such assets, no workable way of establishing them has yet been found.[30]

Attitudes are divided at the highest levels of the party and government regarding the new tenure forms and property relations. Conservatives, backed by many farm managers, argue that state and collective farms still have high potential as productive units and that small-scale contracting should be purely at the discretion of managers and not be implemented under pressure. Conservatives have the strength of inertia working for them, particularly as long as reforms in pricing, marketing, financing, and input supply are postponed, thereby perpetuating an environment hostile to the new tenurial forms. As a purely voluntary program throughout 1989, leasing made little progress.

Assessment

The more radical reformers have concentrated on tenurial change, on the assumption (so far, not validated in practice) that new contract relations will bring an increase in food production irrespective of any reforms in pricing, marketing, finance, and input supply. The increased output would, according to this view, ease shortages and make consumers more willing to accept price reform, i.e., successful tenure reform is apparently considered only a precursor to other changes in the economic environment.

This current reform strategy is flawed on several counts. Given the highly subsidized food prices and the substantial ruble overhang, consumer markets are so out of equilibrium that even a substantial supply increase will go unnoticed. Consumers do not know whether they ate 67 kilograms of meat last year or 70; they only know whether or not they are able to buy meat in the stores today. And even if tenure reform does bring a supply increase, it will only be felt in the longer, not the short, run.

Moreover, recent Soviet experience with lease contracting demonstrates how difficult it is to reform tenure relations without changing pricing and marketing. Land has historically been offered to farms in the Soviet Union without charge. In the absence of real prices, the state has no means to establish the value of the land.

But valuation of land, in fact, takes place when the parent farm and the leaseholder establish the contract price for a given agricultural product cultivated or raised on that land, and this valuation is both highly idiosyncratic and distorted, usually in favor of the farm. Under the reforms introduced in 1989, leaseholders pay the parent farms for land use, but the collective and state farms do not yet pay the state.

According to the new land law, state and collective farms will begin paying for land use as of January 1991, but the level of payments and methodology for valuing land have not yet been determined. Valuation is further complicated by severe distortions in prices of the products of the land. Introduction of land rents without price reform will be very difficult.

As a result of high and arbitrary rents, inadequate sources of credit, and poor access to markets, rural people now have few incentives to take advantage of the tenurial reforms. By contrast, price reform, assignment of use fees for all categories of agricultural producers (not just independent operators), and changes in marketing of input and output would facilitate acceptance of new tenurial forms. They would also improve the economic environment for the more efficient state and collective farms and promote the much-needed supply increases. The agricultural reform has thus hardly begun, and it must move ahead quickly if this sector is to promote rather than impede *perestroyka*.

[29]Karen Brooks, "Price Adjustment and Soviet Agricultural Reform: A View Using Lithuanian Farm Data," Staff Paper P90-17, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, MN, 1990.

[30]Karen Brooks, "Lease Contracting in Soviet Agriculture in 1989," Staff Paper P-90-1, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, MN, 1990.

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Moscow and the Congo

Mark V. Kauppi

Relations between the Soviet Union and the People's Republic of the Congo are neither unique nor extraordinarily important in their own right. Yet study of this relationship can contribute in important ways to a fuller, more balanced understanding of Soviet policy toward Sub-Saharan Africa over the last quarter of a century. Since the mid-1970's, analyses of Moscow's actions in Africa have understandably tended to focus on events in the Horn and Southern Africa. The provision of Soviet military advisers, Cuban combat troops, and East German security personnel was critical in securing and maintaining the power of the Popular Movement for the Liberation of Angola (MPLA) in 1975 and in shoring up the radical military regime in Ethiopia in 1977. Soviet activism, coupled with the rise of self-professed Marxist-Leninist regimes in Ethiopia, Angola, and Mozambique, was a major factor contributing to the unraveling of East-West détente. These events generated a spate of studies on the geostrategic implications of Soviet successes, and analyses of the new Afro-Marxist regimes.[1]

This focus has not changed appreciably since the emergence of Mikhail Gorbachev as the leader of the Soviet Union and his proclamation of "new political thinking," although the apparent Soviet successes of the late 1970's—Angola, Ethiopia, and potentially Mozambique—are now viewed by many Western as well as Soviet analysts as economic and political basket cases. By the beginning of 1988, as Moscow appeared intent on cutting its losses in these countries, the Soviet Union's Africa policy was described as being "in tatters," and speculation began as to when the Kremlin would begin its "out of Africa" policy.[2]

This preoccupation with Ethiopia and Angola results in a rather skewed and incomplete picture of Moscow's involvement with Sub-Saharan Africa over the past 25 years. A comprehensive assessment of Moscow's policies and ambitions in the region would require in-depth analyses of Soviet relations with "bourgeois nationalist" states such as Nigeria, Zaire, Kenya, and the Ivory Coast, as well as with "states of socialist orientation" such as Benin, Madagascar, Guinea-Bissau, Zimbabwe, Mozambique, and the Congo. Virtually nothing

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[1]See, for example, David E. Albright, *The USSR and Sub-Saharan Africa in the 1980's*, New York, Praeger, 1983; idem, Ed., *Communism in Africa*, Bloomington, Indiana University Press, 1980; Michael Clough, Ed., *Reassessing the Soviet Challenge in Africa*, Berkeley, CA, Institute of International Studies, 1986; Thomas Henriksen, Ed., *Communist Powers and Sub-Saharan Africa*, Stanford, CA, Hoover Institution Press, 1981; R. Craig Nation and Mark V. Kauppi, Eds., *The Soviet Impact in Africa*, Lexington, MA, Lexington Books, 1984; Morris Rothenberg, *The USSR and Africa: New Dimensions of Soviet Global Power*, Miami, FL, Advanced International Studies Institute, 1980; David Ottaway and Marina Ottaway, *Afrocommunism*, New York, Africana, 1981; John Markakis and Michael Waller, Eds., *Military Marxist Regimes in Africa*, London, Frank Cass, 1986; and Winrich Kühne, *Die Politik der Sowjetunion in Afrika* (The Policy of the Soviet Union in Africa), Baden-Baden, Nomos, 1983.

[2]*The Economist* (London), Jan. 30, 1988, pp. 29–31. The first major indicator of a change in policy was the December 1988 agreement among South Africa, Cuba, and Angola on Namibia's United Nations–supervised transition to independence. Cuban troop withdrawals were also part of the deal, raising speculation as to the fate of the Marxist MPLA government. It was assumed that Moscow either encouraged or at least blessed this arrangement. *The Washington Post*, Dec. 23, 1988. In June 1989, it was reported that the Soviet Union would withdraw nearly all of its military advisers from Mozambique by the end of 1990. Ibid., June 3, 1989. Beginning in 1987, Moscow on numerous occasions has bluntly informed Ethiopia's rulers of its unhappiness over the management of the country's economy and of the Soviet desire for a political solution to the conflicts in Eritrea and Tigre provinces. Ibid., Apr. 21, 1989. Soviet scholars also claim a new day has dawned in terms of Moscow's policies. See, for example, Andrei Kozyrev and Andrei Shumikin, "East and West in the Third World," *International Affairs* (Moscow), March 1989, pp 64–74. See also, S. Neil MacFarlane, "The Soviet Union and Southern African Security," *Problems of Communism* (Washington, DC), March-June 1989, pp. 71–89.

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Denis Sassou-Nguesso, chairman of the Central Committee of the Congolese Party of Labor and president of the People's Republic of the Congo, and Leonid Brezhnev, general secretary of the Central Committee of the Communist Party of the Soviet Union and president of the Presidium of the USSR Supreme Soviet, shake hands on May 13, 1981, upon conclusion of a Treaty of Friendship and Cooperation between their countries.

—TASS from SOVFOTO.

has been done in these areas.[3]

The focus of this article is on Soviet relations with one of the states of socialist orientation. The Congo is a particularly interesting case, given its history of supporting national liberation movements, the use of Congolese territory as a transshipment point for Cuban troops and Soviet armaments during the Angolan civil war, and the signing of a Treaty of Friendship and Cooperation between the Congo and the USSR in 1981. In exploring the Soviet Union's political, economic, and military ties to this African state, it does not suffice to understand Moscow's goals, strategy, and capabilities. One must also examine the Congo's objectives as well as the domestic and regional political scene from which its policy emerged.[4]

This article argues that Soviet-Congolese relations reveal a pattern very similar to that of Moscow's relations with other African states of socialist orientation. The Soviet Union has consistently worked to establish and maintain cordial if not warm ties with Brazzaville, has provided the bulk of armaments required to meet the Congo's modest security needs, and has been unable and unwilling to compete with or match the level of Western economic aid and technical assistance. Moscow has avoided the temptation to meddle in the Congo's complex if not baffling domestic political scene, having come to recognize that the professed commitment to Marxism-Leninism on the part of the various factions of the Congolese Party of Labor (*Parti Congolais du Travail*—PCT) essentially stems from domestic

[3]See, however, Winrich Kühne, "What Does the Case of Mozambique Tell Us About Soviet Ambivalence Toward Africa?" *CSIS Africa Notes* (Washington, DC), Issue 46, Aug. 30, 1985; and Keith Somerville, "The Soviet Union and Zimbabwe: The Liberation Struggle and After," in Nation and Kauppi, op. cit., pp. 195–220. One recent work is notable if for no other reason than that it includes chapters on Nigeria, Zaire, and East Africa, all written by Africanists rather than Soviet experts. See Dennis L. Bark, Ed., *The Red Orchestra: The Case of Africa*, Stanford, CA, Hoover Institution Press, 1988. Works published in the 1970's tended to do a better job of examining Soviet relations with a variety of non–socialist-oriented states. See, for example, Christopher Stevens, *The Soviet Union and Black Africa*, New York, Holmes and Meier, 1976; and Robert Legvold, *Soviet Policy in West Africa*, Cambridge, MA, Harvard University Press, 1970.

[4]W. Raymond Duncan effectively operationalized the concept of influence in the study of Soviet relations with the Third World in *The Soviet Union and Cuba: Interests and Influence*, New York, Praeger, 1985.

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political imperatives rather than ideological conviction. The single most important cooperative venture between the two countries over the past 25 years—the utilization of Congolese territory in the mid-1970's as a transshipment point for weapons destined for Angola—was the result of mutually compatible objectives, not Congolese subservience to Moscow. Since 1985, Mikhail Gorbachev's announced "revolution" in the USSR's approach to foreign policy has brought strikingly little change in Moscow's policy toward the Congo.

From Brazzaville's perspective, the Moscow connection is part of a broader strategy designed to enhance the most basic goals of Congolese foreign policy, i.e., the maintenance both of the country's independence and, more narrowly, of the power of the current leadership. This has resulted in a pragmatic policy designed to balance ties with East and West in an attempt to extract whatever benefits are available from each. In this sense, Congolese foreign policy differs little from the foreign policies of the vast majority of African states, which are bedeviled by daunting political and economic problems.

Background of the Congo

We begin with an overview of the recent political history of the Congo, which, compared to that of Angola and Ethiopia, is probably not well known to most students of Soviet Third World policy. Congo (Brazzaville) is a country of only 2 million people, located near the equator and bordered by Gabon, Cameroon, the Central African Republic, Zaire, the Angolan enclave of Cabinda, and the Atlantic Ocean.[5] The country is often confused with Zaire, formerly the Belgian Congo and the scene of a bloody civil war in the early 1960's that drew international attention and involvement.

The territory that comprises the People's Republic fell under French influence in the 19th century and eventually achieved its independence in 1960. Its first president, Foulbert Youlou, was a defrocked Catholic priest. He was removed from office in 1963 due to labor and student unrest caused by corruption, disastrous economic policies, tribal favoritism, and unpopular pro-Western policies.[6] The military briefly controlled the country before installing a civilian government led by Alphonse Massemba-Debat, who declared that the Congo would pursue a Marxist-Leninist path and established relations with communist states. At the same time, he attempted to reassure owners of private businesses and avoid antagonizing Western governments, which were providing financial and technical aid.

A vanguard party, the National Revolutionary Movement (*Mouvement National de la Révolution*—MNR), was established in 1964 with a militant youth wing, the Youth of the National Revolutionary Movement (*Jeunesse du Mouvement National de la Révolution*—JMNR), which was intended to placate and hopefully control the radical youth. The JMNR was allowed to form armed paramilitary units. Massemba-Debat struggled to maintain a balance between the MNR/JMNR and the army, which came into increasing conflict with the JMNR's paramilitary formations. The military was also divided between radicals and conservative officers, the latter having been trained by the French during the colonial period.[7]

By August 1968, Massemba-Debat had alienated a significant number of persons in the party, the labor confederation, youth organizations, and the army, and he was ousted in a military coup headed by Captain Marien Ngouabi, whom the army brass had attempted to sack in June 1966. Ngouabi was subsequently declared president, and following a year of radical rhetoric and an intricate political balancing act, which included absorbing the JMNR militia into the regular army, he changed the name of the national party to the Congolese Party of Labor. In December 1969, Ngouabi proclaimed the Congo a "people's republic," the first time an African state had adopted such a designation.

In March 1970, a supposed invasion plot, supported by members of the gendarmerie, was discovered.[8] As a result, Ngouabi disbanded the gendarmerie and resurrected a "people's militia" as the security arm of the party. The youth movement was also revived, under the name Union of the Congolese Socialist Youth (*Union de la Jeunesse Socialiste Congolaise*—UJSC), and an attempt was made to keep both organizations firmly under the control of the PCT. The following year, there was extensive student unrest, and Ange Diawara, a vice-president in Ngouabi's first government who had been

[5]For brief summaries of geographic, demographic, and economic data, see US Department of State, *Background Notes: Congo*, Washington, DC, March 1988; and *Congo: A Country Study*, Washington, DC, US Government Printing Office, 1980.

[6]Emmanuel Terray, "The Congolese and Dahomeyan Revolutions of 1963," *Révue Français de Science Politique* (Paris), October 1964, pp. 917–42.

[7]Samuel Decalo, "People's Republic of the Congo," in Bogdan Szajkowski, Ed., *Marxist Governments: A World Survey*, Vol. 1, London, Macmillan, 1981, pp. 215–16; Pierre Bonnafé, "A New Political Generation: The JMNR of the Republic of the Congo (Brazzaville)," *Cahiers d'Études Africaines* (Paris), Vol. 8, No. 3, 1968, pp. 327–68.

[8]For an analysis of the Congo during this period, see the series of articles "Congo-Brazzaville in the Throes of the Revolution," *Le Monde* (Paris), Mar. 25, 26, and 27, 1970.

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closely identified with the JMNR and the associated paramilitary units, was dismissed. In February and May of 1972, Diawara was accused with others of engaging in plots to overthrow the Ngouabi government and was sentenced to death in absentia. A purge of the party leadership reduced the Political Bureau to three persons, the Central Committee to five, and total party membership to 160.[9] Another conspiracy, also supposedly initiated by Diawara, was discovered in February 1973. Tribal tensions, disagreements over the regime's ideological orientation, and private political agendas made for a turbulent and uncertain political atmosphere.[10]

In October 1974, Ngouabi asserted closer control over the army by becoming head of a new supreme defense and security council. Displeased with the economic policies of the government and its inability to stem corruption, and needing to placate the students, in December 1975, Ngouabi once again announced that members of the government and the PCT would be purged. In 1976, declining oil production and economic problems fueled discontent across the political spectrum.[11]

Ngouabi was assassinated in March 1977. Among those arrested in the aftermath of the assassination was Massemba-Debat, who was subsequently executed. An interim government composed of an 11-member Military Committee of the party was formed after intense political maneuvering among the various political factions.[12] Colonel Joachim Yhomby-Opango was named president, but was removed from office in February 1979, having alienated party and military officials, in part due to his flamboyant lifestyle.[13] The vice president, Colonel Denis Sassou-Nguesso, was named interim president and then appointed for a five-year term at a party congress.

Sassou-Nguesso, who was associated with the militant faction of the PCT, had the fortune to come to power at a time when oil prices were rising. He was reelected president in 1984 after effectively neutralizing his rivals. The country has been relatively calm since he assumed power. There were, however, two terrorist bombings in 1982 and large student demonstrations in 1985 and 1986. In July 1987, a coup plot headed by a military officer was uncovered, and those plotters who did not manage to escape were arrested or killed. After surviving another assassination attempt in May 1989, Sassou-Nguesso was elected to a third five-year term as head of state and party by a party congress held July 26–31, 1989.[14]

As this brief overview makes clear, leaders of the Congo are continually engaged in a political juggling act requiring a great deal of skill, forever guarding against political intrigue and unrest. Congolese politics reflects a need on the part of the leadership to balance advocates of socialist orthodoxy with pro-Western pragmatists within the ruling elite. Radical students and trade unionists have also plagued the leadership. Ideological differences are compounded by tribal rivalries and a north-south geographical divide.[15] Hence, as is so often the case in the Third World, in the Congo, foreign policy concerns have tended to be of secondary importance when compared to domestic politics.

One of the most striking aspects of Congolese domestic politics since 1963 is the divergence between ideological rhetoric and practice. Congolese leaders have constantly exhorted their countrymen to become selflessly devoted to the achievement of revolutionary goals, yet little seems to be achieved. At a PCT congress at the end of 1974, Marien Ngouabi raised the question "Where lies the reason for the obvious separation between revolutionary theory and practice in our country?" He apportioned the blame equally among the masses, party cadres, and government bureaucrats.[16]

Recurrent purges within the PCT and government over the years seemed to have done little to increase revolutionary fervor. In November of 1975, Ngouabi stated that the PCT was "complacent, lethargic, and moribund," and he criticized the "natural tendency among our party and state cadres to become bourgeois." A special Central Committee meeting in December declared a need "to radicalize the revolution." The report criticized the "weakness of party leadership, lack of liaison between the leadership and the party and between the party and the masses, the irresponsibility of the trade unions, the inflexibility of the state apparatus, the weakness of the state economic sector,

[9]Decalo, loc. cit., pp. 216–17.

[10]"Congo: After Diawara," *Africa Confidential* (London), Apr. 27, 1973, pp. 6–7.

[11]Virginia Thompson and Richard Adloff, *Historical Dictionary of the People's Republic of the Congo*, Metuchen, NJ, Scarecrow Press, 1984, pp. 16–20.

[12]"Congo: The More Things Change . . . ," *Africa* (London), No. 78, February 1978.

[13]He owned several villas, a personal zoo of rare animals, and an $80,000 gold vibrating bed. *West Africa* (London), Apr. 9, 1979.

[14]*Africa South of the Sahara, 1989*, London, Europa Publications Ltd., 1989, pp. 400–01; "Congo: Conspiracies Galore," *Africa Confidential*, July 7, 1989, p. 7; and Paris AFP in French, July 31, 1989, translated in Foreign Broadcast Information Service, *Daily Report: Sub-Saharan Africa* (Washington, DC—hereafter, *FBIS-AFR*), Aug. 2, 1989, p. 1.

[15]J. M. Lee, "Clan Loyalties and Socialist Doctrine in the People's Republic of the Congo," *The World Today* (London), January 1971, pp. 40–46.

[16]*Africa Contemporary Record* (henceforth cited as *ACR*), *1974–75*, New York and London, Africana Publishing Co., 1974, p. B/575.

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the frantic race for material advantages, the excessive number of workers in state enterprises, and the incompetence and irresponsibility of cadres."[17] Despite such strong words, the depth of the leadership's commitment to the task of revolutionizing the country is debatable.

It can be argued, in fact, that Marxism-Leninism's most important function is to help whoever is in power stay in power, not to provide a programmatic blueprint for the transformation of Congolese society. Ideology plays at least three critical pragmatic roles in the Congo. First, Marxism-Leninism has served as a source of regime legitimation. Having come to power via a coup in 1963, the military understandably wished to distance itself from the previous government and its associated failures, from the disappointing earlier attempts to achieve watered-down versions of socialism in such countries as Tanzania and Zambia, and from the colonial legacy.[18] By rejecting not only old policies but also the previous form of government and by presenting a new vision upon which to build the society, the regime struck a posture strikingly in contrast with the pre-1963 period. Not only did the leadership reject the country's colonial past and the Youlou period, but by identifying the aspirations of the regime in terms of a new political language, it retrospectively portrayed the military coup as the beginning of a substantive revolution.[19]

Subsequent leaders have felt compelled to escalate the level of political rhetoric as a means of dissociating their new regime from the failures of the previous one. This is probably the major reason for Ngouabi's declaring the Congo a "people's republic" in 1969. The announcement had little practical impact, but it was a low-cost means of establishing Ngouabi's revolutionary credentials and of setting his regime apart from Massemba-Debat's.[20]

Second, the adoption of Marxism-Leninism can often serve as a means of political consolidation by combining limited ideological commitment with pragmatic adjustments to political and economic realities. In the case of the Congo, Marxism-Leninism has been a useful tool of power politics. By emphasizing the political rhetoric of class division, rulers have been able to justify patronage for allies and the removal of political rivals from different tribes.[21] Ngouabi managed, for example, to increase the representation of northern tribes in the civil service by purging as "counterrevolutionaries" and "bourgeois deviationists" senior officials of Lari and Kongo origin.[22] Similarly, in 1969, Ngouabi justified the elimination of the JMNR and militia in part on the grounds that a new Leninist party, the PCT, was to be created.[23] And the plots concocted by Ange Diawara in 1972 and 1973 were condemned as "counterrevolutionary," although in terms of rhetorical position at least, Diawara was more of a Marxist-Leninist than Ngouabi. Power, therefore, not ideological rectitude, is what has mattered among contending Congolese elites.[24]

Third, the adoption of Marxism-Leninism can help a

[17] *ACR, 1975–76*, pp. B/471–72. See also Marien Ngouabi, "Scientific Socialism in Africa," *World Marxist Review* (Toronto), May 1975, pp. 105–14.

[18] See the articles in William H. Friedland and Carl G. Rosberg, Eds., *African Socialism*, Stanford, CA, Stanford University Press, 1964.

[19] The revolution of 1963, for example, is known as "the three glorious days," a direct reference to the three days in France in 1830 when the monarchy was overthrown and a new era was to begin. See "Brazzaville: Revolution or Rhetoric?" *Africa Report* (New York), April 1971, pp. 18–21; "Brazzaville: Ten Years of Revolution," *Africa*, Aug. 13, 1973, p. 1103, and Aug. 20, 1973, p. 1160.

[20] As Crawford Young notes, "The ideological discontinuity between the Massemba-Debat and People's Republic eras was not as sharp as the shift to official Marxism-Leninism might suggest. Creation of the Marxist state was not really the triumph of one ideological socialist faction over another, but is perhaps better understood as a method by which Ngouabi could, in the symbolic domain, clearly demarcate his regime from its predecessor." *Ideology and Development in Africa*, New Haven, CT, Yale University Press, 1982, pp. 45, 36. For similar arguments, see also Claude E. Welch, Jr., "Emerging Patterns of Civil-Military Relations in Africa: Radical Coups d'État and Political Stability," in Bruce E. Arlinghaus, Ed., *African Security Issues: Sovereignty, Stability, and Solidarity*, Boulder, CO, Westview Press, 1984, pp. 126–39.

[21] On the dominating position of army officers from the north, see *The Washington Post*, July 17, 1977.

[22] As one foreign diplomat remarked, "The guy from the other tribe is always a reactionary. The guy from your own is a revolutionary." *The New York Times*, Oct. 25, 1969.

[23] A number of African specialists have noted that the mastery of Marxist-Leninist rhetoric is indispensable to effective factional infighting in countries such as the Congo. Samuel Decalo, one of the foremost scholars on the Congo, states, "Ngouabi not only mastered the jargon but also the Byzantine intricacies of developing a radical dialectic while holding centrist positions and purging the true militants in the political system." *Coups and Army Rule in Africa*, New Haven, CT, Yale University Press, 1976, p. 164. Elsewhere he argues: "Ngouabi's rise to power had nothing whatsoever to do with a desire to further Marxism, socialism, or the Congolese revolution. . . . Ngouabi was dragged reluctantly into the center of the political stage for personal reasons (there had been two attempts to purge him, including one for his refusal to allow political indoctrination in the army), and out of a corporate sense of outrage at the unruly paramilitary's arrogation of the role of defender of the revolution; his Marxism was quite evidently a self-taught ex post facto evolution." Decalo, "Socio-economic Constraints on Radical Action in the People's Republic of Congo," in Markakis and Waller, op. cit., *Military Marxist Regimes in Africa*, London, Frank Cass, 1986, p. 43. See also Decalo, "Ideological Rhetoric and Scientific Socialism in Benin and Congo-Brazzaville," in Carl G. Rosberg and Thomas M. Callaghy, Eds., *Socialism in Sub-Saharan Africa: A New Assessment*, Berkeley, CA, University of California, Institute of International Studies, 1979, pp. 231–64.

Similarly, "by creating the PCT . . . the military regime realized a highly significant political operation which enabled it to close all ideological stances in a totalizing frame of reference: that of Marxism-Leninism. . . . The opponents of this new ideology found themselves as a result placed before the following alternative: either to conform and obey the 'Party'; or refuse to do so and be considered as 'reactionary, anticommunist', etc." H. Ossebi, *Affirmation ethnique et discours ideologique au Congo: Essai d'interpretation* (Ethnic Affirmation and Ideological Discourse in the Congo—An Interpretative Essay), 3rd cycle doctoral thesis, University of Paris V, 1982, p. 75, as cited in Jean Copans, "The USSR: Alibi or Instrument for Black African States?" in Zaki Laidi, Ed., *The Third World and the Soviet Union*, London, Zed Books, 1988, p. 30.

[24] On Ngouabi's understandable preoccupation with maintaining power, see "Parties and Presidents," *West Africa*, Aug. 8, 1983, pp. 1813–15.

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regime lay claim to support from Soviet and East-bloc states. When asked for support in coping with a laundry list of problems similar to those faced by the Soviet state in its early years (political instability, fear of secessionist movements, hostile neighbors), Moscow is hard put to refuse assistance. Public adherence to Marxism-Leninism can also enhance the status of the new regime by associating it with a worldwide political movement that, in the early 1970's, seemed to be steadily gaining adherents in the Third World.[25]

Moscow's official pronouncements have continually depicted the Congo in a positive and optimistic light, and both states have actively engaged in socialist sloganeering. However, over the years, it has become apparent to Soviet journalists and academics that the Congo, like other countries in Africa, was a questionable candidate for socialism—and that all African countries of socialist orientation were to a great extent Leninist facades, rhetorical Potemkin villages.[26]

In a 1974 article reviewing developments in the Congo since 1963, a prominent Soviet academic noted that there were in that country "considerable reactionary forces" such as the "bureaucratic bourgeoisie, tribal elements, and left and right opportunists." Ten years later, a *Pravda* correspondent observed that the Congolese Party of Labor was still fighting "reactionary elements [which] are trying in any way possible to discredit, undermine, and reverse the process of socialist orientation."[27] Too many members of the leadership and party cadres seemed more interested in attaining and keeping personal power and perquisites than in building socialism.[28]

Even Rostislav Ul'yanovskiy, the grand old man of Soviet Third World studies and inveterate optimist regarding prospects for the states of socialist orientation, noted in 1982 that following the 1963 Congolese revolution,

the gap between revolutionary declarations and practices emerged and grew rapidly. In the latter half of the 1960's, this resulted in slogans of scientific socialism being used as a smoke-screen for the policy of the bureaucratic leadership of the MNR, which buried the ideals of the August Revolution.

Despite the creation of the PCT and proclamation of a "people's republic" in 1969, the Congo in the 1970's still witnessed, in Ul'yanovskiy's words,

the danger of tribalism, which penetrates all pores of government and public life. The constructive work was impeded by a formidable force of inertia, indifference, stagnation, lack of desire to work, and inclination to parasitism. Capitalist influences stirred up the desire for acquiring riches and exploiting others, which spread to the petty bourgeoisie, struck root in and around the civil service, and promoted the formation of a bureaucratic bourgeoisie, the worst enemy sucking the life's blood of the country.[29]

A similar assessment of the devastating impact of tribalism on Congolese politics was made that same year

[25]For a recent analysis of how Third World regimes manipulate the language of Marxism-Leninism for internal and international reasons, see Zaki Laidi, "East-West Rivalry in Third-World Societies: The Illusions of the Zero-Sum Game," in Barry M. Schutz and Robert O. Slater, Eds. *Revolution and Political Change in the Third World*, Boulder, CO, Lynne Rienner, forthcoming.

[26]As one Soviet scholar has noted, "Premature announcements that revolutionary-democratic parties have become Marxist-Leninist before they have developed close ties with the masses and before scientific socialism has become the ideology of the nascent working class would not be in the basic interests of the working people. It would be wrong to force this process. However, certain African countries (Congo, for example) are gradually transforming revolutionary-democratic parties into vanguard parties of the working people, and this certainly merits attention." P. I. Manchkha, "Communists, Revolutionary Democrats, and the Noncapitalist Path of Development in African Countries," *Voprosy Istorii KPSS* (Moscow), October 1975, p. 69. In the 1970's, Western scholars were already making the case that self-professed Marxist-Leninist regimes in Africa were poor candidates for achieving socialism. The most influential article on this matter is by Kenneth Jowitt, "Scientific Socialist Regimes in Africa: Political Differentiation, Avoidance, and Unawareness," in Carl G. Rosberg and Thomas M. Callaghy, Eds., *Socialism in Sub-Saharan Africa*, Berkeley, University of California Press, 1979, pp. 133–73. See also Michael Clough, "Exploring Afrocommunism," *Problems of Communism*, November-December 1984, pp. 70–74; and Edmond J. Keller and Donald Rothchild, Eds., *Afro-Marxist Regimes: Ideology and Public Policy*, Boulder, CO, Lynne Rienner, 1987.

[27]*Za Rubezhom* (Moscow), No. 21, 1974, as cited in *USSR and Third World* (London), Apr. 22–June 9, 1974; and *Pravda* (Moscow), July 26, 1984.

[28]For overviews of Soviet analyses of the Third World, see Elizabeth Kridl Valkenier, "Revolutionary Change in the Third World: Recent Soviet Assessments," *World Politics* (Princeton, NJ), April 1986, pp. 415–34; and Jerry F. Hough, *The Struggle for the Third World: Soviet Debates and American Options*, Washington, DC, The Brookings Institution, 1986. A lively debate continues among Soviet academics on the future and nature of states of socialist orientation. Recent articles include: V. I. Maksimenko, "The Socialist Orientation: Restructuring of Ideas," *Mirovaya Ekonomika i Mezhdunarodnyye Otnosheniya* (Moscow—hereafter, *MEiMO*), No. 2, 1989; A. Kaufman and R. Ul'yanovskiy, "On the Question of the Socialist Orientation of Emergent Countries," *Aziya i Afrika Segodnya* (Moscow), No. 5, 1988; N. Simoniya, "Conducting Scholarly Debate Honestly," ibid., No. 6, 1988; Yu. Ivanov, "Certain Questions of Noncapitalist Development," ibid., No. 8, 1988; A. Kiva, "The Socialist Orientation: Theoretical Potential of the Concept and Practical Realities," *MEiMO*, November 1988; G. I. Mirskiy, "The Socialist Orientation in the Third World," *Rabochiy Klass i Sovremennyy Mir* (Moscow), No. 4, 1988.

[29]Rostislav Ul'yanovskiy, "Marien Ngouabi," *Asia and Africa Today* (Moscow), No. 5, 1982, pp. 20–21. He goes on to note that following Ngouabi's death in March 1977, the political order was still faced with "a disposition to demagoguery and the striving of groups and individuals craving for power to declare themselves revolutionaries and Marxists instead of conscientiously solving actual problems. This is a petty-bourgeois urge which (In continued on p. 48)

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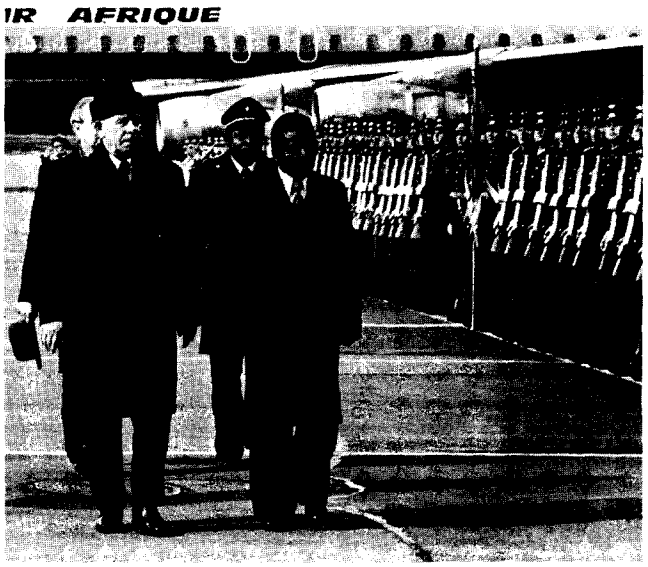

Marien Ngouabi, president of the People's Republic of the Congo, is escorted by Soviet President Nikolay Podgorniy upon Ngouabi's arrival in Moscow on March 24, 1975, for a state visit.

—TASS from SOVFOTO.

in a book written by some of the best-known Soviet scholars who deal with the Third World.[30]

The Congo's use of Marxist-Leninist rhetoric for pragmatic domestic and foreign policy reasons comes as no surprise to Moscow.[31] The Soviets themselves have found that ideology is a wonderfully malleable and useful tool in their attempt to improve their political standing with radical regimes in the Third World. Indeed, it can be argued that the extent of a regime's dedication and adherence to some sort of standard of Marxism-Leninism is not particularly relevant to Moscow. What is important is the actual foreign policy of the regime and the nature of its relationship to the Soviet Union.[32]

Soviet-Congolese Political Relations

Moscow and Brazzaville place a great deal of emphasis on political relations, which, as noted, have been consistently cordial although not particularly warm over the years. The relationship has been maintained through the traditional Soviet reliance on high-level political visits, public pronouncements of friendship, efforts to strengthen party-to-party and government-to-government ties, and various low-level cultural, scientific, and educational visits.[33]

Diplomatic relations were first established in March 1964, shortly after the overthrow of the conservative Youlou regime. This was a period in which the Congo made a major effort to establish good relations with communist states to offset the deterioration of relations with a number of Western countries that came as a result of the overthrow of Youlou.[34]

has been rather widespread in the countries of noncapitalist development: to get the maximum from society and give nothing in return" (p. 22). In an earlier article, Ul'yanovskiy notes that the Congo is faced with a "critical economic situation" that hinders socialist advancement. See *Novoye Vremya* (Moscow), Jan. 8, 1971, as cited in *ACR, 1971–72*, p. A/129. Speaking of states of socialist orientation in general, he argues "it is one thing to proclaim scientific socialism as one's ideology and another to follow the proclaimed path and to implement in practice, or at least begin to implement, this ideology, supported by the majority of the people. . . . Declarative radicalism not only does not bring about the automatic implementation of progressive principles but also does not always contribute to this, for it triggers a sharp aggravation of the socio-class situation." R. A. Ul'yanovskiy, "On National and Revolutionary Democracy: Paths of Evolution," *Narody Azii i Afriki* (Moscow), March-April 1984, p. 17. For a complementary (and negative) assessment of the initial years of the Congolese revolution, see Igor L. Andreyev, *The Noncapitalist Way: Soviet Experience and the Newly Liberated Countries*, Moscow, Progress Publishers, 1977, p. 86.

[30]Karen N. Brutents, et al., *Sotsialisticheskaya orientatsiya osvobodivshikhsiya stran. Nekotoryye voprosy teorii i praktiki* (The Socialist Orientation in the Developing Countries: Some Problems of Theory and Practice), Moscow, Mysl', 1982, pp. 124–25.

[31]Nor does Sassou-Nguesso see any contradiction between his rhetoric and his policies. In response to a question concerning the Congo's pragmatic foreign economic policy, he stated: "We do not intend to operate beyond the bounds of reality. You seem to be presenting Marxism a little bit like a fetish, like a dogma. It is a science which is based on the analysis of the realities of life. We analyze them continually, and each time a situation presents itself, we analyze it scientifically and make our decisions based on this situation without changing our primary orientation for the development of our society." See "Interview: Denis Sassou-Nguesso," *Africa Report*, November-December 1986, p. 57.

[32]Neil Harding, "What Does It Mean to Call a Regime Marxist?" in Szajkowski, op. cit., pp. 20–33. For an argument, however, that the adoption of a Marxist-Leninst orientation has important consequences for an African regime's foreign policy, see Michael Radu, "Ideology, Parties, and Foreign Policy in Sub-Saharan Africa," *Orbis* (Philadelphia), Winter 1982, pp. 967–92.

[33]1965 typifies these policies. In that year, Congolese delegations visited the Soviet Union to sign cultural and economic agreements, study CPSU party organizations, and engage in foreign aid talks, while a Soviet delegation to Brazzaville helped to prepare the way for Massemba-Debat's visit to Moscow in August.

The Congo has also consistently supported Soviet positions in the United Nations, although it originally abstained in the UN vote on the resolution condemning the Soviet invasion of Afghanistan. See Foreign Broadcast Information Service, *Daily Report: Soviet Union* (Washington, DC—hereafter, *FBIS-SOV*), Jan. 27, May 7 and 27, June 25, Aug. 20–26, 1965; *ACR, 1981–82*, p. B/357. For examples of Soviet-Congolese educational and cultural exchanges, see the references in E. A. Tarabrin, *USSR and Countries of Africa*, Moscow, Progress Publishers, 1980. For a concise summary of Moscow's approach to strengthening political ties with friendly African regimes, see Anatoly Gromyko, *Africa: Progress, Problems, Prospects*, Moscow, Progress Publishers, 1981, p. 142.

[34]Poor relations with Western countries were in part both a cause and a consequence of the establishment of diplomatic relations with the East bloc. Diplomatic relations with the United States were severed in August 1965 due to the harassment and detention of American diplomats (relations were restored in June 1977). Ties were also cut with Great Britain in December 1965 due to British policy toward Rhodesia (restored April 1968). See *Congo: A Country Study*, p. 115.

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Three Congolese leaders have made state visits to Moscow: Massemba-Debat in August 1965, Ngouabi in 1975, and Sassou-Nguesso in 1981. The Soviet-Congolese communiqués issued in conjunction with these visits typically mentioned a "willingness to develop and strengthen further the friendly relations and cooperation" or an "identity of views" on a wide variety of international issues.[35] Soviet party General Secretary Leonid Brezhnev's speech to the 25th Congress of the Communist Party of the Soviet Union (CPSU) in February 1976 made passing yet glowing reference to the state of Soviet-Congolese relations.[36]

During the 1970's, when Soviet leaders and commentators were making optimistic statements as to the revolutionary potential of "states of socialist orientation," the Congo regularly received favorable comment. Soviet praise for the Congo's professed dedication to socialism was particularly pointed in the obligatory congratulations extended to Brazzaville on the anniversaries of its revolution.[37] Although Soviet academics also have tended to group the Congo with such "states of socialist orientation" as Angola, Ethiopia, and Mozambique, they have devoted much less analysis to Brazzaville.[38]

To many observers, the best evidence of a strong Soviet-Congolese relationship is found in three areas: first, the utilization of the Congo's territory by the Chinese and Cubans to train guerrillas, most importantly the MPLA; second, the use of the Congo in 1975 as a staging ground for moving Cuban advisers and Soviet matériel into Angola; and third, the signing of a Treaty of Friendship and Cooperation in 1981. In all three cases, however, the Congolese leadership had its own reasons for pursuing these policies.

The MPLA, Cubans, and Chinese. Prior to 1975, the decisive year in the Angolan liberation struggle, the Congo had established extensive relations with the MPLA, Cuba, and China. This was all part of the post-1963 Congolese policy of maintaining cordial relations with a wide variety of communist movements and regimes, a policy upon which all domestic factions could agree. Congolese support for the MPLA actually began under the conservative Youlou regime, which in early 1963 invited the movement to establish a political presence in Brazzaville, although military forays into Angola were severely restricted.[39] Following Youlou's overthrow in August of that year, the Massemba-Debat regime worked to improve relations with Moscow and Beijing and established formal diplomatic relations with both the following year. The Soviets and Chinese provided substantial financial and technical aid, and according to some sources, one of the benefits Beijing requested and received in return was permission to establish guerrilla training bases in the Congo.[40] As for the MPLA, in November 1963, its leadership had been expelled from Congo (Leopoldville) and had moved across the river to Brazzaville. In January 1964, an MPLA conference was held in Brazzaville, at which the MPLA leadership engaged in self-criticism over its inability to prevent factionalism and its poor military record. The MPLA committed itself to guerrilla activity in Cabinda and Angola, and military assistance from the Soviet Union and Czechoslovakia soon began to arrive.[41]

Concerned that it not appear he was playing favorites with the Chinese and, according to one source, alarmed by the growing power of Chinese-trained guerrillas, Massemba-Debat began to court smaller communist countries in 1965.[42] Cuba came to play a particularly important role. In December 1964, Che Guevara began a three-month tour of leftist African countries, including the Congo. While in Brazzaville, he met with leaders of liberation movements from Mozambique, Portuguese Guinea, and Angola. Arms from Cuba were sent to all three, beginning in 1965. In June 1965, the Algerian President Ahmed Ben Bella was overthrown in a military coup, and Cuba withdrew its

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[35]*FBIS-SOV*, Aug. 26, 1965.

[36]"Over the past years we have continued strengthening our ties with our old friends, such as the Guinean Republic and the People's Republic of the Congo. . . . " Ibid., Feb. 25, 1976. "Proceedings of the 25th CPSU Congress," Vol III, No. 38, Supplement 16, p. 15. But in Brezhnev's 1981 speech to the 26th Party Congress, of all the Sub-Saharan African states, only Angola, Ethiopia, and Mozambique were singled out for praise. Ibid., Feb. 24, 1981, "Proceedings of the 26th CPSU Congress," Vol. 1, Supplement, p. 10.

[37]At a 1986 anniversary celebration in Brazzaville, e.g., Soviet officials "emphasized that the Soviet people feel a sense of heartfelt sympathy and friendship toward the people of the Congo, and wish them new successes on the path of progressive socio-economic reforms, and in strengthening the country's national independence." *Pravda*, Aug. 13, 1986.

[38]See, for example, A. Kaufman, "Socialist Concepts in Asian and African Emergent Countries: Basic Types and Evolution Trends," *MEiMO*, December 1984, pp. 88–95.

[39]Youlou wanted in return a de facto agreement with the MPLA that it would oppose independence for the Cabinda enclave or its annexation by Zaire. See Charles K. Ebinger, "External Intervention and Internal War: The Politics and Diplomacy of the Angolan Civil War," *Orbis*, Fall 1976, pp. 677–78.

[40]It is argued that the Chinese used the Congo as a base for Chinese "revolutionary agitation" directed against Cameroon, Cabinda, Angola, and Congo-Kinshasa. See Thompson and Adloff, op. cit., pp. 50–51; also, Juan F. Benemelis, *Castro: Subversion y Terrorismo en Africa* (Castro: Subversion and Terrorism in Africa), Madrid, Editorial San Martin, 1988, Ch. 7. Doubt on this matter, at least as of mid-1964, is expressed by Bruce Larkin, *China and Africa, 1949–1970*, Berkeley, University of California Press, 1971, p. 72, fn. 105.

[41]Keith Somerville, *Angola*, London, Francis Pinter, 1986, pp. 30–31.

[42]Ebinger, loc. cit., p. 679. Larkin (op. cit., p. 74) argues that in terms of the Chinese, "in Zanzibar and in the Congo (Brazzaville), she [China] attained some leverage, but her efforts were cramped and subject to counteraction, and she never actually acquired decisive influence."

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Leftist Congolese youth display a portrait of Mao Zedong during a 1967 street rally in Brazzaville.

—EASTFOTO.

ambassador, Jorge Seguera, from Algeria. One month later, Seguera was appointed ambassador to Brazzaville and lobbied for the right to establish new guerrilla training camps. Shortly thereafter, Cuban military advisers arrived in the Congo to help instruct Zairean rebel forces. By the end of 1965, an estimated 700 Cuban military advisers had also assumed responsibility for training the Congo's paramilitary units (the Civil Defense Corps) as well as most of the foreign guerrilla groups, including the MPLA. Some of the Cubans were attached to a praetorian guard created by Massemba-Debat, which numbered MPLA recruits in its ranks.[43]

The training of the Congolese popular militia and praetorian guard marked a major innovation in Cuba's African policy. With the fall of Ben Bella and then of Ghana's Kwame Nkrumah the following year, Cuba was anxious to protect its two new African guerrilla training bases in Guinea and the Congo. Similarly, the Congolese leadership was desirous of staying in power and, given the tumultuous nature of Congolese politics, was understandably interested in Cuba's new "coup protection" policy. The value of the Cubans was soon tested. On June 27, 1966, the Congolese National Army revolted as a result of attempts by the MNR to politicize control of the military. For three days, the Cuban-trained presidential guard and Civil Defense Corps protected government and party leaders. Unwilling to attack the Cubans, the Congolese military backed down. The government was effusive in its praise of the Cubans. By October 1966, the Cuban presence had grown to approximately 1,000, which was almost one-half the size of the Congolese army. Not surprisingly, elements within the army resented not only the Civil Defense Corps and the JMNR youth organization, but increasingly the Cubans and the MPLA. This is one reason why Massemba-Debat requested a gradual reduction in the number of Cuban advisers, to only 250 two years later.[44]

When Ngouabi came to power in 1968, he moved to reduce the power of the MPLA in Congolese domestic politics and further reduce the number of Cuban advisers. As a result, the MPLA moved its headquarters to Lusaka, although it retained at least one training camp on the Congo-Cabinda border until 1971.[45]

Ngouabi's policy of curtailing guerrilla activity aimed at Zaire, Angola, and Cameroon also disturbed the Chinese. It has been suggested that Beijing tacitly supported a coup attempt against Ngouabi in February 1972, and soon after, Beijing began to lose influence.[46] This lowering of China's profile, however, had been oc-

[43]Ebinger, loc. cit., p. 680; "Brazzaville—Cuba's New Base," *African Review*, August 1966; William J. Durch, "The Cuban Military in Africa and the Middle East: From Algeria to Angola," *Studies in Comparative Communism* (Berkeley, CA), Spring/Summer 1978, pp. 47–49; William LeoGrande, *Cuba's Policy in Africa. 1959–1980*, Berkeley, CA, Institute of International Studies, 1980, pp. 9–10; Carla Anne Robbins, *The Cuban Threat*, New York, McGraw-Hill, 1983, pp. 63–65; John Marcum, *The Angolan Revolution: Exile Politics and Guerrilla Warfare (1962–1976)*, Vol. 2, Cambridge, MA, MIT Press, 1978, p. 172; and Benemelis, op. cit., Chs. 8 and 9.

[44]Durch, loc. cit.; LeoGrande, op. cit., p. 10; Robbins, op. cit., p. 65. The members of the militia tended to come from the most radical elements of the JMNR. Furthermore, soon after the establishment of the Soviet and Chinese embassies in 1964, the JMNR began to receive financial aid from both countries. Michael S. Radu and Keith Somerville. *Benin, The Congo, Burkina Fasso*, London and New York, Francis Pinter, 1988, pp. 166–67.

[45]LeoGrande, op. cit., p. 10; Ebinger, loc. cit., p. 680; Durch, loc. cit., pp. 20–24. Tension between Brazzaville and the MPLA was also due to Congolese support for the Front for the Liberation of the Cabinda Enclave (FLEC). The MPLA wished to see Cabinda incorporated into Angola after the withdrawal of the Portuguese. See Marcum, op. cit., pp. 174, 205.

[46]Ebinger, loc. cit., p. 680. Aside from Larkin's work, on China's activities in Africa see George T. Yu, "The USSR and Africa: China's Impact," *Problems of Communism*, January-February 1978, pp. 40–50; George Ginsburgs, "The Soviet View of Chinese Influence in Africa and Latin America," in Alvin Z. Rubinsteln, Ed., *Soviet and Chinese Influence in the Third World*, New York, Praeger, 1975, pp. 197–220.

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curring throughout Africa, in part due to Beijing's growing preoccupation with events in Vietnam since the mid-1960's and then with the convulsions of the Cultural Revolution.[47]

Nevertheless, after 1972, the Congo worked to maintain cordial relations with China despite Moscow's and Cuba's increased involvement with Brazzaville. The Congo has continually gone out of its way to reassure Beijing that close ties with Moscow do not adversely affect Chinese-Congolese relations. Brazzaville's policy has generally been to alternate major Congolese political visits between the Soviet Union and China. For example, the visit to Moscow by Ngouabi in March 1975 was balanced by the Congolese Premier's visit to China the previous month. Similarly, the dispatching of Congolese delegations to Moscow in June 1977 and October 1978 were balanced by similar visits to China in the same months. In July 1980, Sassou-Nguesso visited China, and following his signing of the Treaty of Friendship and Cooperation with the Soviet Union in Moscow in May 1981, a Congolese Labor Party delegation visited China in July and the Chinese vice foreign minister flew to Brazzaville in November.[48]

This strategy of balancing is also maintained at home, where Sassou-Nguesso has struggled to limit the influence of the strongest pro-Soviet and pro-Chinese groups. The pro-Chinese group M-22, originally associated with Ange Diawara, has been gradually rehabilitated by Sassou-Nguesso as a counterweight to a pro-Soviet group based mainly in the northern Impfondo region.[49]

The Angolan civil war. Brazzaville became in 1974 an important venue for contacts between the MPLA and the Soviet Union due to the need to coordinate arms shipments passing through the Congo to the MPLA. Starting in October-November 1974, the Soviet Union began to send military supplies through the Congo, despite Congolese-MPLA differences over the future of the Cabinda enclave and past tensions.[50] In March 1975, arms deliveries increased; they were shipped by air to Brazzaville, trucked to Cabinda, sent by rail to Pointe Noire in the Congo, and moved by small craft down the coast. By late September, Cuban ships with heavy armaments and Cuban troops were arriving at Pointe Noire.[51] During this period, Ngouabi moved to strengthen relations with the Soviet Union as well as with Cuba. He visited Moscow in March 1975 after having canceled a planned trip the previous October due to domestic political problems. In his meetings with top Soviet officials, discussion centered on the need to give "all-round support to peoples struggling for their freedom and independence."[52] Ngouabi also visited Cuba in September 1975, just before there was an increase in the number of Cuban troops sent to the Congo. As a result of the meeting, the Congo and Cuba issued a joint communiqué supporting the MPLA and also signed agreements pledging cooperation in agriculture, public health, and forestry.[53]

In October and November, at a time when the MPLA was in military difficulty, three other Congolese delegations traveled to Moscow.[54] A heavy reliance on the airlifting of weapons began in late October, as the Angolan conflict escalated, and armaments were flown directly to Luanda. Some weapons, however, were still shipped to Maya Maya, near Brazzaville. From that point, they were transported in smaller planes to various airfields in Angola. Cargo ships also docked at Pointe Noire, and weapons were ferried to points along the Angolan coast.[55]

It could be argued that Congolese support for the MPLA over the years reflected not so much Congolese dedication to "proletarian internationalism" as political pragmatism. First, such support was a substitute for the leadership's inability if not unwillingness to effect revolutionary transformation at home. By aiding the MPLA, it derived a certain amount of "psychic income." Second, and more generally, the policy was a source of national pride, a means by which a small African country could feel it played an important role on the world stage. Third, the policy was a way for the country to establish its international revolutionary credentials, and thus become eligible for economic support from Moscow and

[47]Larkin, op. cit., pp. 77, 78.

[48]*USSR and Third World*, Feb. 24, 1975; May 1, 1977; July 1, 1978; July 7, 1981.

[49]"Congo: Embattled," *Africa Confidential*, Jan. 15, 1986, p. 5; "Pragmatists or Partisans in Brazzaville?" *Africa Report*, January-February 1984, p. 55; *ACR, 1985–86*, p. B/213.

[50]In January 1975, Agostinho Neto, leader of the MPLA, bitterly criticized the Congo for supporting the claims of a movement that desired independence for Cabinda. Even as late as August of that year, Ngouabi warned the MPLA against using force against the separatists. See Marcum, op. cit., pp. 253–54, 262.

[51]Ibid., pp. 259, 273.

[52]*Pravda*, Mar. 30, 1975, trans. in *FBIS-SOV*, Apr. 4, 1975, p. H/4. For coverage of Ngouabi's visit, see also ibid., Mar. 25–28, and 31, 1975.

[53]*ACR, 1975–76*, p. B/478; Havana Television, Sept. 13, 1975, trans. in Foreign Broadcast Information Service, *Daily Report: Latin America* (Washington, DC—hereafter, *FBIS-LAM*), Sept. 15, 1975, p. Q/1. For the text of the joint communiqué, see Havana Domestic Service in Spanish, Sept. 19, 1975, trans. in ibid., Sept. 22, 1975, pp. Q/2–4.

[54]Moscow Domestic Service in Russian, Oct. 20, 1975, trans. in *FBIS-SOV*, Oct. 23, 1975, p. H/2; Moscow Domestic Service in Russian, Nov. 12, 1977, trans. in ibid., Nov. 13, 1975, p. H/5; *Pravda*, Nov. 11 and 15, 1975, trans. in ibid., Nov. 18, 1975, pp. H/5–6.

[55]Bruce D. Porter, *The USSR in Third World Conflicts*, Cambridge, Cambridge University Press, 1984, pp. 160–61.

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other socialist countries. Finally, support for the MPLA was seen as a means of placating the radical youth and the few die-hard revolutionaries in the Congo. Support for the MPLA in particular was a litmus test all contenders for power were expected to pass.[56]

Treaty of Friendship and Cooperation. The Soviet-Congolese Treaty of Friendship and Cooperation is one of a series of such agreements signed by Moscow with Third World regimes. There appear to be four basic reasons why Moscow has pursued such agreements. First, the treaties provide credibility to the claim that the Soviet Union is the natural ally of developing countries and hence a major player in the Third World arena. Second, although left purposely vague, treaty clauses promise further cooperation, trade, and contacts which the Soviets may wish to pursue. Third, Moscow may see certain potential security advantages from treaties with those countries located near the Soviet homeland. Fourth, the treaties help commit developing countries to the socialist path and encourage congruent positions on international issues.[57]

This last factor is particularly important in accounting for the Soviet-Congolese friendship treaty signed in May 1981. The treaty was an initiative of the Soviet Union designed to improve the USSR's image in the eyes of the Third World following the invasion of Afghanistan. The Congo had originally abstained on the United Nation's vote condemning the Soviet action, but following the signing of the friendship treaty, Brazzaville publicly supported the invasion.[58] For Sassou-Nguesso, the treaty was an adroit way to placate hardliners in the PCT at a time when the country was increasingly seeking economic aid from and trade with the West.[59]

There was little cost associated with the treaty from the perspective of either the Soviet Union or the Congo. Of the 12 treaties the Soviet Union had signed with developing Third World states since 1971, the one with the Congo was perhaps the weakest and least substantive. The treaty did not contain any provisions that could constrain or limit Congolese freedom of action, nor did it give Moscow increased leverage over Brazzaville. The Soviets acknowledged respect for the Congo's non-alignment, expressed a desire to work together for peace and disarmament, and condemned apartheid. Article 6 states that the countries will consult "on all important international questions affecting the interests of both countries," and Article 7 states that in situations constituting a threat to peace, they will work to coordinate their positions to remove the threat or to reestablish peace.[60]

Unlike other treaties between Third World countries and the Soviet Union, it does not pledge increased military cooperation. During Sassou-Nguesso's visit, Brezhnev seemed to be reassuring the Congolese leader on this last point when he asserted: "Africa is in the sphere of vital interests of the Africans themselves and no one else."[61] Following the signing of the agreement, the Congolese foreign minister reiterated his government's position that the Congo would never agree to foreign bases on its territory.

The treaty also provided an instrument for smoothing over strains in the relationship between the two countries. As in any interstate relationship, the Soviets and Congolese have had their squabbles. In October 1980, for example, during the Congo's centenary celebrations, representatives of France and the United States had been presented first and second to Sassou-Nguesso as a reflection of the amount of money these countries had provided to subsidize the celebration. The Soviet ambassador expected to be third, but was relegated to 16th after the Congo's "African Brethren." The Soviet delegation attempted to express its displeasure by walking out, but the Congolese locked the reception hall doors.[62] At other times, Congolese officials have expressed anger at what they perceive to be Russian racism, as well as Soviet poaching on fishing grounds off Pointe Noire.[63] And last, in 1980–81, Sassou-Nguesso had postponed a planned trip to Moscow several times because he refused to accede to a Soviet request that the Soviet navy be given easier access to the facilities at Pointe Noire.[64] The friendship treaty was a low-cost way to assuage both Soviet disgruntlement

[56]This even included the Western-oriented Yhomby-Opango. On his public statements of support for the MPLA, see *Le Monde*, Apr. 8, 1977.

[57]Daniel S. Papp, *Soviet Policies Toward the Developing World in the 1980s*, Maxwell Air Force Base, Alabama, Air University Press, 1986, pp. 69–70.

[58]But, on his way to China in July 1980 at a stopover in Calcutta, Sassou-Nguesso took a neutral position, neither criticizing nor praising Soviet intervention in Afghanistan. *USSR and Third World*, July 7, 1981.

[59]*Le Monde*, May 17–18, 1981.

[60]*USSR and Third World*, March 7–July 6, 1981; *Pravda*, May 14 and 18, 1981; *ACR, 1981–82*, p. A/169. On earlier treaties, see Zafar Iman, "Soviet Treaties With Third World Countries," *Soviet Studies* (Glasgow), January 1983, pp. 53–70.

[61]*Pravda*, May 14, 1981.

[62]*ACR, 1980–81*, p. B/419.

[63]African irritation over Soviet fishing is common. In Angola, for example, Soviet factory ships take the fish from Angolan waters and sell them directly to CEMA countries, by-passing Angola. See "Angola: War and Peace in the MPLA," *Africa Confidential*, Aug. 11, 1989, p. 1; *The Los Angeles Times*, Jan. 28, 1980. For a recent discussion of Moscow's problems, see "Soviet Fishing Accords Enter Rougher Waters," *African Business* (London), January 1990, pp. 44–45.

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and Congolese irritation over heavy-handed Soviet diplomacy.

Moscow utilized inter-party channels in the effort to get the Congo to sign the proposed treaty. In February 1981, a PCT representative was accorded the honor of addressing a main session of the 26th CPSU Congress.[65] A PCT-CPSU meeting was held in the spring of 1981 to lay the groundwork for Sassou-Nguesso's visit May visit to the USSR to sign the 20-year agreement along with other protocols, on party-to-party, economic, scientific, and cultural relations. The treaty triggered an increase in political interaction. The inter-party cooperation agreement resulted in an exchange of delegations in 1982, a year that also saw the chief of staff of the Congolese army visit the Soviet Union, a Soviet military delegation visit Brazzaville, and a Soviet naval task force pay a call at Pointe-Noire. In 1983, four Soviet delegations visited the Congo.[66]

The desire of Moscow to maintain correct political relations with the Congo is evidenced by the fact that Moscow has apparently resisted the temptation to manipulate Congolese domestic political cleavages to its own advantage by fomenting coups or backing one faction against another. The Congo's domestic political scene is rife with such temptations given the bewildering multitude of regional, ethnic, class, religious, generational, and political divisions. This policy is in keeping with Moscow's generally conservative approach toward coups and ethnic strife in African states, which reflects a desire not to offend the members of the Organization of African Unity (OAU).[67]

Military Relations

The Soviet Union has traditionally been the major supplier of arms and military equipment to the Congo. This has also been the case with other "states of socialist orientation" (see Table 1). Soviet advisers to the Congolese military and internal security forces number between 80 and 100. As a result of recent events in the German Democratic Republic, it has been reported that security experts from the East German "Stasi" (secret police) have been withdrawn from the Congo.[68] As noted in Table 2, Soviet and East-bloc military technicians have been sent to the Congo, and over the years Congolese military personnel have gone to the Soviet Union or Eastern Europe for training. There are also occasional exchanges of military delegations.[69] Although

Table 1: Value of Soviet Arms Transfers to Selected African States

(millions of current dollars)

	1978–82		1983–87	
	Total	USSR	Total	USSR
Congo	120	120	235	220
Angola	1,100	950	6,350	5,800
Ethiopia	2,400	2,200	4,330	4,200
Mozambique	340	250	1,330	1,300
Madagascar	140	90	130	130
Benin	160	140	65	50
Guinea-Bissau	30	30	110	110
Cape Verde	60	60	10	10
Sao Tome	0	0	30	30

SOURCE: Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers. 1972–1982*, Washington, DC, 1984, p. 95; ACDA, *World Military Expenditures and Arms Transfers. 1988*, Washington, DC, 1989, p. 111.

Table 2: Soviet and East European Military Relations with Selected Sub-Saharan African States

	USSR-EE military technicians in Africa, 1986	African personnel trained in USSR and EE, 1955–86
All Sub-Saharan Africa	5,135	20,400
Congo	80	1,250
Angola	1,700	3,260
Ethiopia	1,700	3,280
Mozambique	950	530
Madagascar	55	325
Benin	N.A.	N.A.
Guinea-Bissau	N.A.	140
Cape Verde	N.A.	160
Sao Tome	150	N.A.

SOURCE: US Department of State, *Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986*, Washington, DC, 1988, pp. 16, 17.

[64]Justine De Lacy, "The Congo: Western Investors Now Welcome," *The Atlantic* (Boston), January 1984, pp. 23–24; *Le Monde*, May 14, 1981; "Friendship or Alliance?" *Jeune Afrique* (Paris), May 27, 1981, pp. 22–23; *ACR, 1982–83*, p. B/380.

[65]*FBIS-SOV*, Supplement, Mar. 3, 1981, "Proceedings of the 26th CPSU Congress, Vol. VI," pp. 11–12.

[66]*ACR, 1982–83*, p. A/163; *ACR, 1983–84*, p. A/303.

[67]Steven R. David, "Soviet Involvement in Third World Coups," *International Security* (Cambridge, MA), Summer 1986, pp. 3–36; Galia Golan, "Moscow and Third World National Liberation Movements," *Journal of International Affairs* (New York), Winter/Spring 1987, pp. 303–23.

[68]"Exclusive Reports," *Jeune Afrique*, Mar. 5, 1990, p. 5; on the East German presence, see *ACR, 1984–85*, p. B/135.

[69]On Congolese officers being trained in the Soviet Union and Soviet advisers in the Congo, see "Friendship or Alliance?" loc. cit., p. 23.

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the military relationship is very often the means by which Moscow influences a Third World country, Congo's leaders downplay the idea that Soviet arms transfers are directly translated into Soviet political influence. Sassou-Nguesso could have been speaking for many Third World leaders when he stated:

The countries of the Third World for the most part do not possess armament industries. They depend upon assistance from industrialized countries to equip their armies. The need to defend oneself is a legitimate aspiration for any people. As far as the Congo is concerned, we do not belong to any military pact; moreover, the military aid which we receive in no way influences our policy of independence and neutrality.[70]

As is so often the case with other Third World countries, however, the Congo has been dissatisfied with the quality of the equipment it receives. The Soviets tend to sell outdated military equipment at inflated prices, and spare parts are hard to come by.[71]

There has also been a modification of the Cuban security role over years. As noted earlier, after the overthrow of Ben Bella in Algeria (1965), the Cubans enacted a policy in the Congo that involved training the militia and creating a palace guard. When Ngouabi came to power in 1968, the Cuban mission was withdrawn except for instructors assigned to MPLA training camps.[72] The number of Cubans increased in the mid-1970's, as military aid to the MPLA passed through the Congo and more advisers were required.[73] By the mid-1980's, several thousand Cuban military advisers and technicians remained.[74] Following an attempted coup in 1987, it was reported that an assault force seeking to capture Pierre Anga, Sassou-Nguesso's archenemy, included Cuban paratroopers.[75] More recently, in May 1989, Sassou-Nguesso escaped an assassination attempt while attending his daughter's birthday party at a night club. Cubans in the presidential guard supposedly helped thwart the effort.[76] Nevertheless, it would be wrong to assume that the Cubans have a great deal of influence over the policies of the Congolese regime. In 1988, as part of his balancing act, Sassou-Nguesso worked to revive and rehabilitate members of the political Right to counteract the activities of members of the extreme Left, who are identified as pro-Cuban.[77]

In terms of Soviet power projection capabilities, the Soviet navy has been allowed carefully controlled access to Pointe Noire, principally as a result of Soviet-Congolese cooperation during the Angolan civil war. With one known exception (see above), however, Moscow has not attempted to pressure Brazzaville to alter the arrangement in the Soviet Union's favor. Even following the signing of the Treaty of Friendship and Cooperation in 1981, when three Soviet ships visited Pointe Noire in September 1982, they had to obtain a special permit to anchor in the port.[78]

The Soviets have had to make do with the small West African Patrol in Angola and Soviet airfield access outside Luanda for reconnaisance of the South Atlantic. There were reports in 1984 that Moscow was interested in developing naval facilities on Sao Tome and Principe, perhaps as an alternative to the possible loss of access to the Angolan ports and airfields.[79]

Part of the reason for the modest level of Soviet political-military influence in the Congo is the manner in which regimes have come to power: via coups d'état. There are several implications. First, compared to insurgencies, the coups d'état of 1963 and 1968 were relatively bloodless affairs and over in a matter of days. None of the leaders had to engage in a long, drawn-out war of national liberation (like the one in Angola), which tested and strengthened the ideological mettle and dedication of the leadership. Hence, outside sources of

[70] *ACR, 1980–81*, p. B/417.

[71] The Congo currently has about 50 T–54/55 and 15 Chinese T–59 main battle tanks, and 14 Chinese T–62 light tanks. The Air Force consists of 20 MiG–17's, five Antonov–24's, one An–26, two Il–14's, two US C–47's, three French transports, and four French Alouette helicopters. See International Institute for Strategic Studies, *The Military Balance 1988-89*, London, IISS, 1989, p. 127.

[72] LeoGrande, op.cit., p.10. Another source claims that all Cuban instructors left the country in 1968. See *Congo: A Country Study*, p. 117.

[73] It is estimated that 2,000–3,000 Cuban advisers for the MPLA were based in the Pointe Noire region. *ACR, 1982–83*, p. B/380.

[74] According to one source, French instructors had replaced the Cubans as trainers of the presidential bodyguard. See De Lacy, loc. cit., pp. 23–24. Another author claims some 3,000 Cubans were in the Congo as of 1987. See Pamela S. Falk, "Cuba In Africa," *Foreign Affairs* (New York), Summer 1987, p. 1087.

[75] "Congo: Family Feud," *Africa Confidential*, Sept. 23, 1987, p. 8.

[76] "Congo: Conspiracles Galore," ibid., July 7, 1989, p. 7.

[77] "Congo: Left-Right," ibid., June 17, 1988, p. 8. See also "Congo," *Africa Report*, November-December 1987, p. 7.

[78] *ACR, 1982–83*, p. B/380.

[79] Papp, op. cit., pp. 170–71. The leader of Sao Tome, Manuel Pinto da Costa, has vehemently denied his country has any basing agreements with Moscow. See *Africa Report*, January-February 1986, p. 60. Furthermore, after Sao Tome experienced an abortive coup attempt in March 1988, the United States gave the country two patrol boats for coastal surveillance to replace two Soviet boats that had been provided six months earlier but had already broken down. The US also announced it would be providing scholarships and training of youth in American institutions. See "Sao Tome," *West Africa*, May 9, 1988, p. 859. In December 1988, Portugal and Sao Tome signed a military technical cooperation agreement involving training of military cadres in Portugal and advice on the reorganization of the Sao Tomean military. See *African Defence Journal* (Paris), February 1989, p. 20. For a brief overview of Soviet naval policy in the region, see Michael Hritsik, "The West African Naval Contingent," in Bruce W. Watson and Susan M. Watson, Eds., *The Soviet Navy: Strengths and Liabilities*, Boulder, CO, Westview, 1986, pp. 203–07.

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military support were not necessary, and even if they had an interest in doing so, the Soviets did not have an opportunity to nurture an insurgent movement over time by providing weapons and East-bloc military advisers as they did in the case of the MPLA in Angola. Nor did leaders of the Congo experience the regional military threat (from Somalia) that encouraged the Ethiopian regime to seek Soviet military support. No neighboring states have ever threatened to intervene during the Congo's various domestic crises. Finally, there was no local Moscow-dominated communist party to serve as a "transmission belt" for Soviet influence. In sum, the rapid and internal nature of the "revolutions" in the Congo meant that Soviet involvement was neither required nor desired by the military officers leading the coups, which reduced opportunities for Soviet influence.[80]

Table 3: Soviet and East European Credits and Grants Extended to Selected African States, 1982–86

(millions of dollars)

	Soviet	East European
All Sub-Saharan Africa	5,111	1,160
Congo	0	35
Angola	880	107
Ethiopia	770	182
Mozambique	140	60
Madagascar	195	0
Benin	Negl.	5
Guinea-Bissau	17	0
Cape Verde	Negl.	0
Sao Tome/Principe	1	0

SOURCE: US Department of State, *Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986,* Washington, DC, 1988, pp. 8, 10.

Table 4: Congo Imports and Exports, 1985

(percentage of total)

	EEC	USA	Africa	Asia	Japan	USSR/EE
Imports	76.7	5.6	5.1	4.9	2.8	0.7
Exports	39.6	55.2	1.3	0.1	0.7	0.2

SOURCE: *International Market in Data and Statistics, 1987/88,* London, Euromonitor Publications Ltd., 1987, pp. 172, 176.

Table 5: Warsaw Pact and Cuban Economic Technicians In Selected African States, 1986

	Warsaw Pact	Cuba
Congo	345	85
Angola	1,960	6,000
Ethiopia	2,610	1,100
Mozambique	2,075	900
Madagascar	195	5
Benin	25	35
Guinea-Bissau	110	85
Cape Verde	80	15
Sao Tome/Principe	145	60

SOURCE: US Department of State, *Warsaw Pact Economic Aid Programs in Non-Communist LDCs: Holding Their Own in 1986,* Washington, DC, 1988, p. 12.

Economic Relations

As is generally the case with the USSR throughout the Third World, Soviet economic aid to and trade with the Congo has been limited, the West being the major provider and partner. Much to the disgruntlement of the Congo, Soviet economic credits and grants throughout the 1980's have been virtually nil, and Eastern Europe has not been much more forthcoming (see Table 3). Furthermore, only 0.7 percent of Congo's imports are from the USSR and Eastern Europe, while an even smaller share of Congo's exports goes to that region (see Table 4).[81] For the Soviets, imports from and exports to Africa as a whole are very modest, while trade with the Congo barely registers.[82] However, in the 1980's, the number of Warsaw Pact and Cuban eco-

[80]Soviet writers are very aware of the political differences of a Third World regime's coming to power via a coup rather than through an insurgent struggle. As Ul'yanovskiy notes about the Congo, "The Party had not undergone a long period of training during underground struggle, and it lacked numerous time-tested personnel who came to scientific socialism after long years of painful evolution in the midst of popular masses." See "Marien Ngouabi," p. 21. Another author observes: "In some countries (Angola, Mozambique), the vanguard parties grow out of a mass party of the national-front type; in others, they are constructed by creating qualitatively new political organizations (the Congo, Benin, Ethiopia)" (in other words, via coups). See N. Kosukhin, "Typical Features of the Vanguard Parties of the Workers: The Example of the Countries of Africa," *Aziya i Afrika Segodnya,* February 1983, pp. 2–5; and Yu. G. Sumbatyan, "The Socialist Orientation in the Formation of Vanguard Parties in Africa" *"Nauchnyy Kommunizm* (Moscow), No. 3, 1982, pp. 87–93, trans. in Joint Publications Service: *USSR Report: Political and Sociological Affairs* (Washington, DC), JPRS No. 1323, Oct. 21, 1982, p. 3. See also V. Chirkin, "The Role of Revolutionary Parties in National Liberation," *Aziya i Afrika Segodnya,* August 1981, pp. 2–5.

[81]One source states that as of 1984, only 3 percent of the Congo's trade was with the Soviet Union. Economist Intelligence Unit, *Quarterly Review of Gabon, Congo, Cameroon, Central African Republic, Equatorial Guinea* (London), No. 2, 1984, p. 19.

[82]In 1985, the value of Soviet world exports totaled 72,463.7 million rubles. Sub-Saharan Africa accounted for only 724.7 million rubles, and of that, the Congo's share was only 5.8 million. Soviet world imports totaled 69,101.9 million rubles in 1985, Sub-Saharan Africa accounting for (fn. continued on p. 56)

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nomic technicians working in the Congo increased (see Table 5).[83]

The traditional Soviet economic development model had also been discredited under Sassou-Nguesso, long before *perestroyka* became a household word in the USSR.[84] In the early 1980's, the Congolese government stopped bailing out state farms—organizations that, according to the Congolese minister of agriculture, were "a disaster." The largest sugar plantation, which in 1968 had produced a record harvest of 100,000 tons, was nationalized in 1970. By 1980, production had plummeted to 5,700 tons. In 1977, the associated state-run sugar refinery plant was shut down, and the Congo was forced to import sugar for the first time. Artificially low government-controlled prices also discouraged farmers from cultivating a number of crops, leading to shortages. Several inefficient state companies were dismantled in the 1980's.[85]

The United States is the Congo's primary export market (Table 4). France is overwhelmingly the primary source of imports, totaling 137,581 million CFA francs in 1982. Belgium and Luxembourg combined were the second largest source, at 7,674 million CFA francs.[86] Between 1981 and 1984, net official development assistance from noncommunist countries and multilateral agencies averaged US$95.1 million a year. France is easily the largest single donor, and China accounts for two-thirds of the assistance from the communist world. Since 1978, borrowing from private creditors has slowly increased due to the expansion of imports; by the end of 1983, such funding surpassed that provided by government sources. The external debt equaled three-quarters of the country's annual GNP in 1983, with debt-servicing costs equal to two-fifths of the Congo's foreign earnings in 1986.[87] This was in part due to the dramatic drop in the price of oil, which represents 90 percent of export earnings and two-thirds of government revenues.[88] France, the Congo's main creditor nation, was reluctant in the mid-1980's to reschedule the Congo's debt, preferring to have that country deal with the International Monetary Fund. After resisting this step for two years, the Congo signed an agreement with the IMF in 1986 to reschedule its debt, and Brazzaville also negotiated loans from Western banks.[89]

It is not only in the economic realm that Moscow finds it virtually impossible to compete with the West. The Congo's French connection is particularly strong due to the colonial legacy and cultural ties. The capital is still named after its French founder, Savorgnan de Brazza, and to this day, Congolese are proud of the country's association with Charles de Gaulle's Free France in World War II. French is the official language, military technical assistance agreements with Paris have been in existence since the mid-1970's, and a number of Congolese officers are trained in France. Furthermore, the currency is tied to the Franc Zone, the Congo attends the French African summits, and a number of intellectuals who provided ideological guidance to the

360.7 million, and the Congo, 4.1 million. See Daniel R. Kempton and Roger E. Kanet, "Soviet Policy in Sub-Saharan Africa," in Jane Shapiro Zacek, Ed., *The Gorbachev Generation: Issues in Soviet Foreign Policy*, New York, Paragon House, 1988, p. 214.

[83]At the 20th anniversary celebration of Soviet-Congolese diplomatic relations in 1984, the Soviet ambassador claimed that during those years, Moscow had provided 34 billion CFA francs in credits and 9 billion CFA francs in non-repayable aid. Technical cooperation was provided to 20 projects, and at that time, 118 Soviet teachers were working in the Congo. *ACR, 1984–85*, B/137. For a critique of Soviet Third World aid and trade policies, see A. Kupriyanov, "The Close and Distant Third World," *Literaturnaya Gazeta* (Moscow), Sept. 28, 1988, p. 14; and specifically on Africa, *Izvestiya* (Moscow), June 20, 1989.

[84]Even in 1977, Yhomgy-Opango stated: "We're dealing with state enterprises which were badly thought out, badly organized, overstaffed, unproductive, and budget-devouring." *The Washington Post*, July 17, 1977.

[85]De Lacy, "The Congo," pp. 16-17. It should be noted, however, that as in the West, it was generally the most inefficient enterprises that were nationalized by the government. Oil companies, by contrast, have been virtually unaffected, and over 60 percent of the economy remains in foreign hands. Decalo, "Socio-Economic Constraints," pp. 49–50.

[86]*Africa South of the Sahara 1987*, London, Europa Publications, 1986, p. 396. Japan, West Germany, and the United States are close behind. As early as 1975, when the Congo was supporting the MPLA, a government official went to Paris and assured the French that the Congo "was wide open to foreign trade and foreign investment, especially from France." *ACR, 1975–76*, p. B/477. One observer characterized the Congolese capital in 1984 in the following terms: "In Brazzaville, the capital, a sleepy city with sand-gouged streets, portraits of Marx and Lenin vie for space with Mercedes ads, and grocery stores are stocked with foie gras and champagne. Streets are lined with late-model Toyotas, and the nouvelle cuisine at the Arc-en-Ciel would surely rate two stars from Michelin if the restaurant were in Paris. A few Congolese even wear shirts printed with dollar signs." De Lacy, "The Congo," p. 16.

On the Congo's relationship with foreign oil companies, see "Trading In a Hostile World," *West Africa*, Aug. 22, 1983, pp. 1936–38.

[87]*Africa South of the Sahara 1987*, p. 391. See also "Slamming on the Brakes," *West Africa*, Aug. 15, 1983, pp. 1882–84; and "Debt Problems," ibid., Jan. 21, 1985, pp. 101–02.

[88]*The Washington Post*, Oct. 25, 1982.

[89]*ACR, 1985–86*, p. B/219. Multilateral agencies and foreign governments have generally viewed the Congo as a good economic risk. In 1980, *The Wall Street Journal* gave the Congo a better free-market rating than neighboring "capitalist" Zaire. Mobutu's regime was characterized as a "purportedly free capitalist country which is in fact a totalitarian state that seeks to control all economic activity above the subsistence level," as opposed to "the purportedly communist country of Congo, which in fact has discovered the benefits of the free market (and appears to be) largely free of the corruption and routine restrictions that plague Zaire." *The Wall Street Journal* (New York), July 2, 1980. A Western diplomat stationed in the Congo observed: "Marxism provides a unifying creed for the tiny political elite here, allowing it to transcend tribalism. However, there is nothing particularly Marxist about the Congolese economy, which resembles its capitalist neighbors in the high level of state involvement." *The Washington Post*, Aug. 21, 1985. See also the series "Congo 1981: Marxism at Issue," *Le Monde*, Dec. 31, 1981, and Jan. 2, 1982.

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regime in the 1970's attended schools in France.[90]

In October 1979, against the wishes of some senior members of the PCT and the Soviet ambassador in Brazzaville, Sassou-Nguesso visited Paris. In 1981, he returned to Paris to represent the Congo at the Francophone summit, the first time the Congo had participated as a full member. French President François Mitterrand traveled to Brazzaville in 1982, and Sassou-Nguesso went to Paris in 1983. To deflect criticism, however, he then visited Romania, East Germany, and Bulgaria in June 1985. President Mitterrand bluntly expressed the French attitude in the course of his visit to Brazzaville in 1982: "France does not compete with anyone. There is enough room here for others. Simply, France wants to remain number one in the heart and the economy of Congo."[91]

Soviet Policy Under Gorbachev

Since Gorbachev came to power in 1985, Soviet policy toward the Congo has exhibited marked continuity with that of earlier years. Both countries continue to nurture political ties via the exchange of diplomatic, scientific, and educational delegations, and Moscow remains the Congo's primary source of arms.[92] On the political front, the first diplomatic exchanges under Gorbachev occurred in May 1985, when a Congolese government minister arrived in Moscow to discuss international cooperation and the bilateral relationship, and later that month, a PCT delegation discussed ties with the CPSU. Representatives of the Soviet party paid a reciprocal visit to Brazzaville in June, and in August, members of the Congo National Assembly traveled to Moscow.[93]

Perhaps the most interesting meeting took place in Moscow during the 27th CPSU Congress in March 1986. At that time, a Congolese delegation met with two individuals long associated with support for states of socialist orientation—Boris Ponomarev, head of the International Department, and Academician Ul'yanovskiy. It can be assumed that these two individuals were chosen in the belief that it was necessary to reassure a friendly Third World state at a time when Gorbachev's "new political thinking" was causing a certain amount of consternation among self-professed Marxist-Leninist regimes. Two other PCT delegations traveled to the Soviet Union in 1986, one in June and the other in November, to learn more about CPSU organizational work and cadre training. In August 1986, a CPSU delegation attended the anniversary celebration of the Congo's revolution.[94]

In 1987, Soviet officials made three trips to the Congo: a CPSU delegation in April, a trip by a deputy foreign minister in June, and a Supreme Soviet delegation in July. In October, a Congolese delegation met in Moscow with Anatoliy Dobrynin, then head of the International Department of the CPSU Central Committee, to exchange views on party work and world problems. In July 1988, a PCT delegation traveled to the Soviet Union to study the CPSU's role in agriculture, and another delegation went to Moscow in December to discuss the restructuring process within the CPSU. The Congo's curiosity about *perestroyka* was further evidenced during the visit of a Soviet state and party delegation to Brazzaville in August, when *Pravda* reported that Sassou-Nguesso "showed great interest in the restructuring processes in the USSR and the democratization of the political system."[95]

In April 1989, a PCT delegation spent almost two weeks in the Soviet Union to learn more about what *perestroyka* has meant for the CPSU. The following month, Aleksandr Lizichev, chief of the Main Political Adminis-

[90]Guy Martin, "The Historical, Economic, and Political Bases of France's African Policy" *Journal of Modern African Studies* (Cambridge, England), Vol. 23, No. 2, 1985, pp. 189–208; Pascal Chaigneau, *La Politique militaire de la France en Afrique* (France's Military Policy in Africa), Paris, CHEAM, 1984; John Chipman, "French Military Policy and African Security," *Adelphi Papers*, No. 201, London, International Institute for Strategic Studies, 1985; J. Coleman Kitchen, Jr., "The Enduring French Connection," *CSiS Africa Notes* (Washington, DC), No. 68, Jan. 26, 1987; and I. William Zartman, "Africa and the West: The French Connection," in Bruce E. Arlinghaus, Ed., *African Security Issues: Sovereignty, Stability, and Solidarity*, Boulder, CO, Westview, 1984, pp. 39–58.

[91]*The Washington Post*, Oct. 25, 1982. On Soviet recognition of French political, economic, and cultural influence, see P. Cherkassov, "France and the Conflicts on the African Continent," *MEiMO*, August 1987, pp. 41–53. For examples of French economic agreements with the Congo, see BBC, *Summary of World Broadcasts* (London), May 5, 1981, and June 26, 1984.

[92]In the years 1983–87, the USSR accounted for $220 million of the $235 million worth of arms imported by the Congo. France accounted for $5 million. See Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1988*, Washington, DC, 1989, p. 111.

From 1985 to 1988, the Soviet Union accounted for some 73 percent of the value of total arms deliveries to Sub-Saharan Africa. This was an increase from 1981–84, when the Soviet share was 65 percent. See Richard Grimmet, *Trends in Conventional Arms Transfers to the Third World by Major Supplier, 1981–1988*, Washington, DC, Congressional Research Service, July 1989, p. 48.

[93]*Izvestiya*, May 12, 1985; *Pravda*, May 30 and June 20, 1985; TASS, Aug. 26, 1985.

[94]*Pravda*, Mar. 5, June 5, Aug. 14, and Nov. 6, 1986.

[95]Ibid., Apr. 2 and Oct. 23, 1987, Aug. 18, July 28 and Dec. 22, 1988; Brazzaville Radio, June 13, 1987, *FBIS-AFR*, June 15, 1987, p. A/2; *Izvestiya*, July 10, 1987. It is unlikely, however, that the Soviet Union's recent economic experiences have much to teach the Congo. The Congo's small-business sector has always played a key role in the economy, and Brazzaville's turn to the West for economic and technical assistance and its disappointment with the performance of state enterprises predates Gorbachev's coming to power. Furthermore, Sassou-Nguesso's efforts over the years to develop and utilize national pride as a unifying force to bridge the many divisions within his country has relegated Marxist-Leninist ideology to a secondary role, a process that also began before Gorbachev was named general secretary in 1985. See Thompson and Adloff, op. cit., p. 30.

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tration of the Soviet Army and Navy, visited the Congo, where he met with Sassou-Nguesso and top Congolese military officials. No new military agreements resulted from the visit, and it can best be viewed as reciprocity for the visit of a Congolese military delegation to the Soviet Union the previous September.[96] It is possible that Lizichev raised the issue of greater Soviet naval access to Pointe Noire. But the importance of the West Africa Patrol, based in Angola, has diminished in recent years. In fact, the Soviet military has been reduced to arguing that the patrol was needed to protect Soviet trawlers from pirates.[97]

During the time Gorbachev has been in power, Soviet commentators have been understanding of, if not sympathetic to, the political and especially the economic problems faced by the Congo. But it is of interest to note that in August 1988 when Moscow extended its yearly congratulations to Brazzaville on the anniversary of the Congolese revolution, it applauded the fact that "despite all obstacles and difficulties, the Congolese people and their recognized vanguard, the Congolese Labor Party, have remained loyal to their socio-political choice—the cause of building a new society." Gone were the proverbial references to building a socialist society.[98]

In terms of the economic relationship with the Congo, Moscow in recent years has continued to provide expertise in the fields of mining and metallurgy. In January 1986, an accord was signed to establish a commission on economic, scientific, and technical cooperation. Bilateral cooperation was to be improved in mining, geological prospecting, agriculture, and construction. The Soviets promised to help survey lead and zinc ore deposits and aid in the construction of the Mfouati mining complex. In November 1986, Moscow granted the Congo a 2.5 billion CFA franc line of credit to help in the development of iron ore deposits and also promised to reschedule Congolese payments of credits to the Soviet Union. In July 1988, it was announced that an agreement would be signed that would result in Soviet help in building a road from Brazzaville to Pointe Noire as well as assistance in the mining of zinc, lead, and copper reserves.[99]

In January 1989, Nikolay Kosukhin of Moscow's Africa Institute applauded the Congolese government for supporting the development of small and medium-sized firms to help revive the economy, and he also made favorable reference to the role of foreign capital in the Congo.[100] Among Soviet analysts, Kosukhin has been in the forefront in recognizing the importance of private capital in reviving the economies of African states of socialist orientation.[101] His emphasis on Africa's economic problems is in line with the pronouncements of Anatoliy Adamishin, the Soviet deputy foreign minister formerly in charge of African affairs, who had been given the task of applying "new political thinking" to the African continent.[102]

In recent years, Congolese foreign policy has played a secondary role to Sassou-Nguesso's concern over rooting out plots to overthrow him and finding ways to salvage the economy.[103] In 1985, the World Bank aided in the development of an economic structural adjustment plan, and CONOCO joined with AMOCO to explore for new oil deposits. That November there was severe student rioting.[104] The following year, the IMF

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[96]*Pravda*, Apr. 29, 1989; *Krasnaya Zvezda* (Moscow), Sept. 15, 1988, and May 5, 11, and 13, 1989.

[97]An account in *Krasnaya Zvezda* of Oct. 22, 1988, read: "We are passing through one of the areas loved by pirates. And pirate raids were made on our boats which were fishing in international waters. Several years ago, there was even an incident where one of our captains was taken prisoner by pirates. Since that time, military vessels have been detailed from nearby areas where they have been conducting their combat exercies to protect the fisherman." I am grateful to Norman Cigar for drawing my attention to this article.

[98]*Pravda*, Aug. 13, 1988. Similarly, CPSU greetings to the Congo at the time of the PCT Congress in July 1989 emphasized international issues. See ibid., July 26, 1989.

[99]TASS, Jan. 31, 1986; Dakar PANA in French, Nov. 6, 1986; Reuters, July 3, 1988. For a discussion of Soviet support for the development of African metallurgical industries, including those in the Congo, see Gromyko, op. cit., pp. 150–53.

[100]"Take the Congo, for example. In 1988, it took the course of developing small and medium-sized enterprises by new means. The state is endeavoring to facilitate the revival of the country's economy. Agencies for the development of small and medium-sized enterprises have been created, as well as a fund to guarantee and support them. . . . The conclusion from what has been said here is that the progressive African regimes currently are endeavoring to overcome the crises in their economies through the greater participation of foreign capital, through the creation of privately owned small and medium-sized enterprises, and through the setting up of an agricultural processing industry." Radio Moscow in Portuguese to Africa, Jan. 17, 1989, trans. in *FBIS-SOV*, Feb. 17, 1989, p. 28. See also Boris Filippov, "Dawn Over the Congo," *Asia and Africa Today*, May-June 1988, pp. 63–65.

[101]On the role of the private sector, Kosukhin argues: "It is being maintained and cannot but be maintained in all the socialist-oriented countries. . . . There have been changes in the attitude toward the private sector. At first, it was regarded as a threat to the revolutionary process, and the idea was to make it disappear as quickly as possible. However, it eventually became necessary to take the real economic situation into account." Radio Moscow in Portuguese to Africa, July 28, 1989, trans. in *FBIS-SOV*, July 29, 1988, p. 28. On premature attempts by the Congo, Ethiopia, Angola, and Mozambique to achieve socialism, see his comments in Radio Moscow in Portuguese to Africa, Jan. 19, 1989, trans. in ibid., Feb. 16, 1989, pp. 32–33.

[102]See the statements by Adamishin in Moscow TASS in English, May 22, 1987, in ibid., May 26, 1987, p. J/1; Moscow TASS in English, May 24, 1988, in ibid., May 25, 1988, pp. 40–41.

[103]For analyses of the bewildering array of threats and problems faced by Sassou-Nguesso, which are a constant test of his political skills, see "Congo: Embattled," loc. cit., pp. 4–6; "The Threat Facing Sassou-Nguesso," *Jeune Afrique*, Oct. 21, 1987, pp. 28–30. The reshuffling of the PCT Central Committee in July 1989 reflected a triumph of the moderates over the hard-liners. See Paris AFP in French, July 31, 1989, loc. cit.

[104]"Congo Embattled," loc. cit.; "Congo: Refueling the Economy," *Africa Report*, September-October 1985, p. 48.

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approved a program to reschedule part of the Congo's foreign debt over a 10-year period.[105] During 1986, the Congo's gross domestic product fell 30 percent. To a great extent, this was due to the sharp fall in the price of oil. From 1985 to 1987, the government's operating budget was reduced by more than 50 percent, foreign debt passed the $4 billion mark, a freeze was placed on civil service salaries, and recruitment into the civil service was suspended. Politically, the last two moves were risky, as the civil service has traditionally been a major employer of college graduates.[106]

On the political front, the PCT congress held at the end of July 1989 initiated what could be termed a process of political *perestroyka*. Perhaps taking his cue from Gorbachev and events in Eastern Europe, Sassou-Nguesso purged a number of hard-line leftists from the party leadership and allowed non-PCT members to run for and be elected to the state's National People's Assembly. In November, he asked those elected to engage in true policy debates and "to challenge the government in a constructive way."[107] At a meeting of the PCT Central Committee on November 27, 1989, Sassou-Nguesso told members that the Congo must "be attuned" to international changes, particularly those in Eastern Europe, and be able to "analyze these changes intelligently and discriminately" so that the Congo could benefit from these experiences. It was also announced that non-party members would be allowed to sit on PCT specialized commissions dealing with education, propaganda, the economy, and foreign affairs.[108]

Sassou-Nguesso, however, has also stated that the PCT would retain its guiding role.[109] In other words, he is attempting to accomplish what leaders of communist Eastern Europe failed to achieve: to continue to liberalize the economy and offer limited political change but at the same time remain in power as a self-professed Marxist-Leninist.

The French connection remains strong. In March 1987, Sassou-Nguesso made a state visit to Paris. Although this was ostensibly in his role as chairman of the Organization of African Unity, the Congo's economic difficulties were extensively discussed. In July of that year, the Congo hosted a meeting of the International Association of Francophone Mayors, during which Prime Minister Jacques Chirac of France met with Sassou-Nguesso. Chirac took this opportunity to unveil models of sanitation and road work projects to be built in the Congo by France. Later that year, three more economic agreements were signed between the two countries, and in January 1988, an accord was announced by which the French would equip and train Congolese troops. One hundred and five Congolese soldiers were to be sent that year to France, and French military aid was to be increased some 25 to 30 percent.[110] In December 1988, the French government announced a further increase in aid, which already totaled over half of the Congo's total foreign assistance. Furthermore, 300 technical assistants were to be sent to the Congo to help improve the poor completion rate of many economic projects.[111]

In recent years, Sassou-Nguesso has been engaged in his own version of "new political thinking" on the foreign policy front. This can be seen in two areas. First, he has worked to improve relations with more conservative African regimes, including Cameroon, Gabon, Zaire, Senegal, and Nigeria. Second, the Congo has played a constructive role within the OAU, particularly in 1986–87, when Sassou-Nguesso was chairman of the organization and worked assiduously to end the conflict in Chad.[112] More recently, Brazzaville was one of the venues for talks involving the United States, Angola, Cuba, and South Africa, resulting in the Namibia accord of December 1988.[113] This is the major reason why Sassou-Nguesso was invited to make an official state visit to the United States, which took place on February 12–16, 1990.[114]

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[105]"Congo: Oil Crisis Prompts About-Face," *Africa Report*, July-August 1986, p. 53.

[106]The civil service, which numbered 54,000 in 1979, had grown to 73,000 by 1986. Dakar PANA in English, Oct. 3, 1987, in *FBIS-AFR*, Oct. 5, 1987, p. 3; and Paris AFP in French, trans. in *FBIS-AFR*, Oct. 8, 1987, p. 1.

[107]"The Congo: *Perestroika* in Central Africa," *Jeune Afrique*, Jan. 15, 1990, pp. 44–47.

[108]Paris AFP in French, Nov. 30, 1989, trans. in *FBIS-AFR*, Dec. 7, 1989, p. 1.

[109]"The Congo: *Perestroika* in Central Africa," loc. cit. Congo's continued adherence to Marxism-Leninism differs from Benin's approach. Faced with a deteriorating economy and internal political problems, the regime of Benin's Mathieu Kérékou in November 1989 officially dropped Marxism-Leninism as its guiding ideology, in part as a desperate measure to attract Western economic assistance. See *West Africa*, Jan. 29, 1990, pp. 132–34.

[110]Paris AFP in French, July 23, 1987, trans. in *FBIS-AFR*, July 28, 1987, pp. A/1–2; Dakar PANA in French, Nov. 19, 1987, trans. in ibid., Nov. 20, 1987, p. 1; and Dakar PANA in French, Jan. 23, 1988, trans. in ibid., Jan. 25, 1988, p. 1.

[111]*West Africa*, Dec. 12, 1988, p. 2328. Under the current five-year development plan, 298 of 831 projects were not completed. See Dakar PANA in English, Oct. 3, 1987, loc. cit.

[112]"The Congo," *Africa South of the Sahara 1989*, London, Europa Publications Ltd., 1989, p. 401.

[113]*The Washington Post*, Dec. 23, 1988.

[114]During the visit, Sassou-Nguesso met with President George Bush, leaders of the International Monetary Fund and the World Bank, and oil company executives; he signed a treaty designed to encouage US investment in the Congo, and delivered a speech at Harvard University. See *Visite du Président Denis Sassou-Nguesso aux Étas-Unis* (The Visit of President Denis Sassou-Nguesso to the United States), Brazzaville, United States Information Service, Embassy of the United States of America, forthcoming in May 1990.

In October 1986, Sasso-Nguesso had made a working visit to the US in

(fn. continued on p. 60)

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Conclusion

Earlier, we noted that the appropriate phrase to describe Congolese leaders' domestic policies over the years is a search for balance. This is reflected in a need to balance radical, moderate, and conservative forces favoring differing political and economic policies, as well as a need to balance ethnic divisions. Internationally, Brazzaville has pursued a similar strategy of pursuing strong political and military ties with communist states, but has balanced such relations with cordial political relations and very strong economic ties with the West.[115] Even within the communist camp, the Congo has worked to balance ties with the Soviet Union, China, and Cuba. The end result is that the Congo follows a policy guided not by ideological criteria, but by what the leadership of the PCT calls "friendship and good neighborliness." Particularly in the 1980's, this foreign policy reflects a pragmatism arising from severe domestic economic problems that socialist policies had created or aggravated.[116]

From Moscow's perspective, the one constant since radical leaders came to power in the Congo in 1963 has been the Soviet desire to create and maintain a political relationship secured via mutual acknowledgment of a dedication to socialism, the strengthening of party-to-party and government-to-government ties through reciprocal visits of delegations, the provision of Soviet arms to meet the Congo's limited security concerns, and minimal offerings of economic aid. The Soviets value the Congo for essentially political reasons. In the 1970's, the Congo, along with other African regimes, was cited by an enthusiastic Moscow as further evidence that socialism was advancing in the Third World. Moscow, however, has never invested its political prestige or reputation as a superpower patron by proclaiming its willingness to keep the current regime in power, as it has in the past with regimes in Angola and Ethiopia. Nor has the Congo played a significant role in Moscow's geostrategic calculations. Moscow recognizes that the Congo, with the exception of its limited oil reserves, is resource-poor and suffers from the same sort of ills that plague other African states. Hence, as Moscow in the latter half of the 1980's moved to reconsider its policies and stakes in the Third World, little change in Soviet policy toward the Congo occurred,[117] since the current and past levels of engagement have exhibited only modest levels of political, military, and economic commitment.

his dual capacity as President of the Congo and as then-chairman of the Organization for African Unity. He reportedly was disappointed that he was unable to meet with President Ronald Reagan. See *ACR, 1986–87,* p. B/201.

[115]A recent example of a nicely balanced foreign trip occurred in late August and early September of 1989 during which time Sassou-Nguesso visited Libya, Belgrade (for the Nonaligned Movement conference), and then Italy and Portugal. See Paris AFP in French, Aug. 30, 1989, trans. in *FBIS-AFR,* Sept. 1, 1989, p. 1. Similarly, in his July 26, 1989, speech to the PCT Congress, Sassou-Nguesso paid tribute to Cuba's role in Africa, lauded the legacy of the French Revolution, praised Gorbachev's "multiple and constructive initiatives," and applauded the "receptiveness of the American Administration." Paris AFP in French, July 26, 1989, trans. in ibid., July 31, 1989, p. 2.

[116]On Sassou-Nguesso's long-standing realism, see "Sassou Nguesso Without Complexes," *Jeune Afrique,* Oct. 27, 1982, pp. 26–27.

[117]For the most recent and comprehensive official Soviet pronouncement on Moscow's Africa policy, see the interview with Foreign Minister Eduard Shevardnadze in *Izvestiya,* Mar. 18, 1990, trans. in *FBIS-SOV,* Mar. 19, 1990, pp. 29–31. In this interview, he stresses the need to deemphazie ideology and resolve regional conflicts.

Shevardnadze's tour of Africa, the first by a Soviet foreign minister, lasted from March 18 to 26, 1990, and was nicely balanced politically in that it included stopovers in Angola, Mozambique, Zamiba, Zimbabwe, Tanzania, Nigeria, and Namibia (where he met with US Secretary of State James Baker and South African President Frederik Willem de Klerk). In an interesting radio broadcast to Africa at the end of his trip, Shevardnadze stated that "there was a time when the Soviet Union was associated with the struggle against colonialism and the liberaton of those countries from the colonial yoke. We rendered material, loyal [sic, as translated], and military assistance and spent a great deal on that. Today our capabilities are limited. We all know the conditions we live in and the situation in our economy. At the same time we are reluctant to put the emphasis on military cooperation or to build our policies on it." Although he stated that the Soviet Union did "not seek to curtail military cooperation" with its African friends, he added that "we must discuss the problem of defense sufficiency, how many arms this or that country should have." This statement might foreshadow a reduction of Soviet military assistance to Africa, perhaps including the Congo. See Radio Moscow, Mar. 30, 1990, in ibid., Apr. 2, 1990, pp. 24–25.

In November 1989, the aging Soviet ambassador to Brazzaville, Vladimir Lobachev retired and was replaced by Anatoliy Zaytsev, an individual presumably more attuned to Gorbachev's "new political thinking." See *Izvestiya,* Nov. 21, 1989, trans. in ibid., Nov. 29, 1989, p. 36.

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Notes

A Decade of Direct Foreign Investment in China

Shen Xiaofang

TEN YEARS HAVE passed since the People's Republic of China (PRC) opened its economic doors to the outside world and welcomed in direct foreign investment (DFI). Since then, the country has come a long way. Once a firm proponent of the principle of "self-reliance," a stance that excluded all DFI, China by the end of 1988 had entered into nearly 16,000 DFI contracts, more than 6,000 of which were already in operation. This entailed the attraction from foreign private capital sources of US$28 billion in commitments, $11 billion of which has already been utilized.[1] China had thus become one of the major users of DFI in the developing world.

Then, in the spring of 1989, a sweeping student movement for political reform ended in the June 4 tragedy on Tiananmen Square, and China's political and economic future—including that for DFI—suddenly came under a cloud. Despite repeated assurances from the current government that economic reform and the "open-door" policy would not be reversed, many fear that the decade-long policy of liberalizing domestic and foreign economic activity has come to an end. Foreign investors in particular think twice about their future commitments in the PRC.

In the wake of the shock of June 1989, scholars who have closely followed China's development in recent years have raised several related questions: How would China view its experience of the past decade in light of the events of June 1989? Unanticipated political interruptions notwithstanding, are there useful lessons that China should learn from its past experience? Could the economic course so carefully begun and maintained over the previous decade be shattered overnight by the tragic events in Tiananmen Square? Should China hold an optimistic or pessimistic view of its future?

This note will look at the decade of China's experience with DFI, examining the erratic course DFI has taken and the factors that caused such a pattern. It will emphasize that, difficulties and setbacks aside, initial DFI performance made a significant contribution to China's economy during this period. However, it will also point out that in the last two years, even before the June 4 incident, DFI had reached a critical stage in which fundamental socio-economic problems were destined to hinder its further development. What happened in June of 1989, in the author's judgment, simply added to difficulties in the ongoing process and put the future of DFI in China at a critical juncture. To maintain the rate of growth of DFI in the last decade, the govern-

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[1]The State Statistics Bureau, "The Utilization of Foreign Capital: 1979–88," *Beijing Review*, Mar. 6–12, 1989, pp. 26–29.

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ment will need strongly to recommit itself to carrying through the economic reform and the open-door policy it inaugurated in 1978.

A Determined But Erratic Course

A retrospective look at China's experience with DFI reveals a cyclic pattern of development, accompanied by frequent policy adjustments and changes. Four major swings are identifiable between 1979 and 1988. In 1979–1982, China's overall policy toward DFI remained largely restrained, and the value of DFI attracted into the country was limited. In 1983–85, China promoted its DFI policy, and foreign investment surged into the country. In 1986–87, however, rising economic problems forced a policy retrenchment that reversed the trend of DFI growth. Then in the spring of 1988, a call for "gold coast development" set off another boom of DFI. This upsurge lasted into the spring of 1989, when it fell victim to the tragic political events of June.

This erratic trend reflected China's constant effort to adjust its expectations to the realities of DFI. From the very beginning, DFI development in China grew out of the country's enormous economic needs but was restrained by its limited means. Due to a decades-long pursuit of a radical line at home and an isolationist policy abroad, the Chinese economy in the late 1970's faced serious economic difficulties, including a distorted economic structure, low productivity and inefficiency, and a low level of technology compared with the rest of the world. These problems had given rise to strong demands for an immediate structural readjustment, active systemic reform, and quick technological advance.

These demands made the country more anxious than ever to obtain assistance from the outside world. DFI became a particularly attractive resource for several reasons. First and foremost, it offered a "package" of the foreign resources China most wanted and needed, namely, capital, technology, and management skills. Moreover, as compared to other international transactions such as borrowing, DFI seemed to bear less risk, as its repayment was related to the performance of the projects it financed.[2] Finally, because DFI promised to introduce new ideas and more efficient production practices into the country, many Chinese expected it to act, directly or indirectly, as a spur for speedy reform of the domestic economy.[3]

Eager as China was for DFI, working out the terms of foreign investment in China was not easy, given the domestic reality at the time. The Chinese had little knowledge about DFI and remained fearful of foreign involvement in the country. The concept of capitalism, moreover, was rather an unfamiliar one to the majority of Chinese, who were not at all sure how their present system could accommodate the incoming market-oriented activities. Finally, in the wake of a long period of domestic political turmoil, with the general industrial and commercial infrastructure in bad shape and crucial resources facing short supply, the economy had few means whereby to facilitate foreign business activity.

What prompted the Chinese to begin an immediate opening to DFI was the remarkable enthusiasm for reform among the top leadership in the post-Mao era. Driven by the ambitious goal of modernizing the country in the shortest time possible and willing to explore new approaches to such a goal, the post-Mao leadership decided to risk opening the door of the country before adequate preparations could be made. To wait for an ideal domestic environment would mean adding more time to that already lost in the past decades and falling even farther behind other countries in the modernization process. The only viable option, the Chinese believed, was to plunge right into the water and start to swim.[4]

To guard against excessive risks, the Beijing leadership adopted an approach that called for opening the country in a step-by-step process. According to this approach, which Chinese often described as "crossing the river by toeing the rocks under the water," foreign investors were to be welcomed first into a few designated special economic zones (SEZ's) regarded as "experimental labs," where business could be carried out with little state interference and with much preferential treatment. If things worked well in these zones, the DFI practice could then be extended into other parts of the country.[5]

Thus, from 1979 to 1982, serious efforts were made by the central government to solicit DFI into four SEZ's located near Hong Kong and Macao in the provinces of Guangdong and Fujian. Outside these areas, DFI was not actively encouraged. Foreign investors who were interested in investment outside the zones had to pass a rather complicated screening procedure and often needed final approval by central authorities. Moreover, foreign firms usually were not allowed to own more than 49 percent of the ventures in which they became in-

[2]Chen Qiwei, "Why Is China Opening to the Outside?" ibid., Apr. 1, 1985, pp. 18–22.

[3]*Renmin ribao* (Beijing), Oct. 6, 1978, translated in Foreign Broadcast Information Service, *Daily Report: China* (Washington, DC, hereafter—*FBIS-CHI*), Oct. 11, 1978, p. E/4.

[4]"Deng Xiaoping: Reform Is 'Second Revolution,'" *Beijing Review*, Apr. 8, 1985, p. 6.

[5]Wang Dacheng, "SEZ's: Why An Experiment?" ibid., Sept. 30, 1985, pp. 4–5.

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volved.[6] Tax and other incentives offered to DFI outside the SEZ's were minimal. As a result, overall DFI in this period was limited, and the overwhelming part of it went into the SEZ's and Guangdong and Fujian.[7]

In 1982, however, rapid change in the domestic situation encouraged greater interest in DFI utilization. The achievements in domestic macro-economic readjustment and rural reform of the previous four years made many feel that conditions were ripe for extending the open-door policy.[8] Results of the early "experiments" with DFI seemed to support the idea. Foreign investment ventures had not only supplemented the scarce construction capital, but also demonstrated, by successfully adapting new technology and management systems, an economic efficiency and vitality not matched by the state-owned enterprises.[9] The impact of DFI on the national economy, however, was limited, as most of the activities were concentrated in the SEZ's. To expand the positive influence of DFI on the economy, it seemed necessary to loosen the restrictions originally placed on DFI.[10]

The result was the 1983–85 boom of DFI in China. During this period, the door to foreign investors was opened significantly wider. DFI was encouraged, not only in the four SEZ's, but also in 14 coastal cities and three deltas along the east coast, areas that comprised the industrial and commercial core of the national economy.[11] Accordingly, steps were taken to decentralize decision-making from central to local authorities. Most DFI projects no longer needed central approval, and many enterprises, especially those in the coastal cities, were free to look for potential foreign partners on their own. Meanwhile, laws and regulations were promulgated to expand incentives and increase the special treatment given foreign investors coming to these newly-opened areas. Seeing an expanded opportunity to move into the alluring China market, foreign investors responded eagerly, and the number of investment projects undertaken with China jumped dramatically (see Table 1).

Table 1: Growth of Direct Foreign Investment in China, 1979–1988

(by number of contracts)

Year	Contracts signed	Cumulative total
1980	83	83
1981	320	403
1982	519	922
1983	470	1,392
1984	1,856	3,248
1985	3,073	6,321
1986	1,498	7,819
1987	2,233	10,052
1988	5,890	15,942

(by capital amount, US$ billions)

	Amount pledged		Amount utilized	
Year	Yearly	Cumulative	Yearly	Cumulative
1979–1982	N.A.	6.01	N.A.	1.17
1983	1.73	7.74	0.64	1.80
1984	2.65	10.39	1.26	3.06
1985	5.93	16.32	1.66	4.72
1986	2.83	19.15	1.87	6.59
1987	3.71	22.86	2.31	8.90
1988	5.20	28.06	2.40	11.30

SOURCE: Ministry of Foreign Economic Relations and Trade.

Predictably, problems soon developed as a result of this precipitate expansion of DFI. Foreign investors' high expectations for selling in the China market went unmet because of the reluctance, or rather the inability, of their Chinese partners to provide sufficient foreign exchange. Meanwhile, the Chinese hosts, whose goal was to obtain new technology and equipment from the foreign partners, found those partners unwilling to supply their needs without substantial market return. As DFI activities burgeoned, tension also arose in obtaining local credit, energy, raw materials, and skilled laborers.[12]

The sweeping process of decentralization, moreover, added new problems. Local officials, eager as they were to attract foreign funds into their areas, often lacked insight into what foreign companies, and sometimes they themselves, were looking for, and were, in

[6]Such a rule was not explicit in any written laws or regulations but was made clear by Trade Minister Li Qiang. See *FBIS-CHI*, Dec. 19, 1978, pp. A/1–3.

[7]For instance, out of the total amount of US$3 billion in DFI committed to the country by the end of 1981, $1.7 billion, or 60 percent, had gone to the four SEZ's. See *China Business Review* (Washington, DC), September-October 1982, p. 21.

[8]Editor's Notes, "Prospects for Economic Readjustment," *Beijing Review*, Jan. 26, 1982, p. 3.

[9]*Liaowang* (Beijing), June 11, 1984, trans. in *FBIS-CHI*, June 18, 1984, pp. K/2–3.

[10]Ibid.

[11]In April 1984, the decision to open up the 14 coastal cities was formally announced by the Central Committee. The 14 cities were: Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang, and Beihai. The decision to open up the Yangtze Delta near Shanghai, the Zhujiang Delta near Canton, and the Zhangjiang Delta near Xiamen was made in spring 1985 by the Central Committee. For an account of the process that led to the 1984 decision, see *Liaowang*, June 11, 1984, loc. cit., pp. K/1–5.

[12]*The Wall Street Journal* (New York), July 17, 1986.

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general, ill-prepared to handle the complexities of DFI practice. Undue competition and redundant projects in less desirable fields thus became commonplace.[13]

These problems, and especially the one of foreign exchange shortage, put great pressure on the central policymakers of China, and by the end of 1985, they felt compelled to put a brake on the process. What followed was the retrenchment period of 1986–87, in which the central government reasserted its control by tightening the supply of credits and foreign exchange, imposing more restrictions on imports, and curtailing foreign investment in certain activities, such as hotel construction and related service activities. Accordingly, DFI dropped significantly during this period. In 1986, the total of DFI contracts signed was only half the number signed in 1985, and the actual capital inflow was only 13 percent higher than in 1985, compared to the 32 percent increase from 1984 to 1985. In 1987, both the number of contracts signed and the actual inflow of capital rose, but not at the rates experienced in 1983–85 (see Table 1).

The constriction in DFI inflow was an obvious source of concern to the top leadership. Soon, central authorities were reassuring foreign firms in China that the purpose of the retrenchment was not to close the door, but to gain a chance "to improve the domestic environment for DFI" so the door could be opened wider. To demonstrate its sincerity, in autumn 1986 the government issued "Provisions for the Encouragement of Foreign Investment," often simply referred to as the "22 Provisions." These provisions reiterated the rights and interests of foreign business entities in China. To demonstrate its commitment to an open-door policy, the government also formulated more than a dozen subregulations in the following year, addressing the specific issues of enterprise autonomy, profit remittance, labor recruitment, land use, export and import procedures, and tax and custom duties.[14]

Laudable as a gesture, this government effort did not solve the fundamental problems.[15] For instance, attempts to ameliorate the foreign exchange problem, such as "import substitute sales" and "swapping" (a scheme that allowed foreign investment enterprises [FIE's] to trade foreign exchange among themselves), were found insufficient and often difficult to implement.[16] Likewise, the scheme to deal with the problem of input supply by "incorporating DFI operation into the state plan" proved to be wishful thinking rather than an effective solution. Flaws in institutional reform appeared to repeat the pattern of "chaos with decentralization and rigidity with control."

The fact that retrenchment did not result in a substantial improvement of the "investment environment" led to widespread dissatisfaction and gave the radical reformists in the country an opportunity to push for new initiatives. The result was the "gold coast" development campaign in the spring of 1988, accompanied by a comprehensive price reform. These measures spurred initial optimism, but their weakness in theory and practice was soon obvious. The domestic price reform effort, aimed at exposing the economy to a reinforced market influence, proved premature. By mid-1988, the PRC was experiencing run-away inflation, and an alarmed leadership quickly retreated from its policy of economic liberalization and began to reimpose central control.[17]

The "gold coast" campaign lasted longer than the price reform. In the spring of 1988, from Hainan Island in the south to the port city Dalian in the north, areas along the east coast were opened up to foreign investors. The latter were enticed with tax incentives and preferential treatment comparable to those offered by other Pacific Asian countries. Obviously, the foreign exchange concern remained a restraining factor, and instead of pressing for high-tech transfer, the emphasis in this campaign was placed on cheap-labor exploitation and export promotion. In the same period, domestic financial pressure also made it necessary for China to promote more actively than ever the form of wholly foreign-owned ventures.[18]

Foreign investors, especially those small and medium-sized ones who were eager to exploit cheap local labor, responded immediately and positively to this new drive. Coastal China, with its relatively more modern industrial and commercial infrastructure, an abundant and relatively skilled labor pool, and easy geographic access, did offer a potential processing base which could substitute for those in other East Asian countries where wages were rapidly rising.[19] A more important reason for foreign enthusiasm, however, still lay in the

[13]Zhao Ziyang, "Reporting at the National People's Congress," *Beijing Review*, Apr. 21, 1986, p. ix.

[14]For the English text of the "22 Provisions," see ibid., Oct. 27, 1986, pp. 26–28. For analysis, see Jerome Alan Cohen and Ta-Kuang Chang, "The New Foreign Investment Provisions," *China Business Review*, January-February 1987, pp. 11–14.

[15]Harry Harding, "The Investment Climate In China," *The Brookings Review* (Washington, DC), Spring 1987, pp. 37–42.

[16]John Frisbie, "Balancing Foreign Exchange," *The China Business Review*, March-April 1988, pp. 24–28.

[17]Jan S. Prybyla, "China's Economic Experiment: Back from the Market?" *Problems of Communism* (Washington, DC), January-February 1989, pp. 1–18.

[18]*Renmin ribao*, Jan. 23, 1988.

[19]According to one recent estimate, the cost of hiring a factory girl in Guangdong is about HK$500 (US$64) a month, which is about one-eighth of what it would cost to hire the same worker in Hong Kong. See "Amid The Sourness, A Port Of China Is Still Sweet," *The Economist* (London), Aug. 19–25, 1989, p. 22.

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attraction of the vast market potential in China itself. Although export was a non-negotiable requirement of the Chinese during DFI negotiations, partial selling into the domestic market was often permitted if the foreign exchange account of the venture was self-balanced. Moreover, in cases where the technology or products involved were urgently needed by the Chinese, the requirement of a foreign exchange balance was sometimes waived. These exceptions lured a large number of foreign companies—mostly those engaged in manufacturing activities—into China in hopes of establishing a foothold there. As a result, a record number of DFI contracts, some 6,000, were signed in 1988.

The 1989 political upheaval in China aborted this new boom and placed the immediate future of DFI in doubt. It is important to remember, however, that the future of DFI was already uncertain. Indeed, several problems associated with the upsurge of coastal development were identifiable prior to the spring of 1989. Most important, the domestic economy was on the verge of a run-away inflation due to over-heated growth and rushed price reform. Sudden expansion in the number of FIE's, which would inevitably bid up the already excessive demand for crucial production factors such as capital, energy, and raw materials, would certainly put additional inflationary pressure on the economy. And yet, any quick retreat from domestic reform would leave the "gold coast" campaign isolated in terms of ideological and structural changes. In the absence of further domestic movement toward a more relaxed and market-oriented economy, there were clearly limits on the amount of DFI China could accommodate. Finally, central planners were also increasingly concerned that the "gold coast" campaign would rapidly widen the already broad gap between coastal and interior development and give rise to social discontent and tension. It is not difficult to see that these dilemmas, without any satisfactory solutions in sight, were leading inexorably to a cooling off of the coastal development scheme.

Impact of DFI On China's Economy

Solicitation of DFI has not been an end in itself for China but a means toward its modernization goals. Evaluation of China's use of DFI in the first decade, therefore, must take into account not only how much foreign capital was attracted by the country but, more important, what effects DFI had on the Chinese economy.

A full evaluation of the impact of DFI is difficult at this stage. The period under examination is so recent that many of the long-term effects of DFI may not have clearly developed. Moreover, complete information needed for an overall assessment is unavailable due to the limited access to data. However, a preliminary assessment of DFI performance in China is still possible. I have looked at seven areas in which DFI is believed to have most directly affected China's economy. These are: capital contribution, government revenue, technological progress, enterprise management, foreign trade, local employment, and income distribution. My findings will suggest that, although there were limits and costs, initial DFI performance has made a significant contribution to China's economic development.[20]

Capital contribution. One measure of what DFI has contributed to the Chinese economy is the absolute amount of capital attracted through this particular channel. A successful solicitation of $28 billion in DFI commitments, or $11 billion actually utilized, within a period of one decade provided a powerful supplement to the limited domestic supply of capital. Although DFI capital actually utilized constituted only 2 percent of the total national gross investment during the decade, it had a much greater relative impact in the coastal regions, where DFI was concentrated. For example, during the first six months of 1988, actual DFI inflow—measured at the official exchange rate of US$1 = 3.71 yuan—amounted to 13 percent of the total investment of fixed assets in the 15 open cities and over 60 percent of the gross investment in the five SEZ's. Measured at a more realistic exchange rate of US$1 = 5 yuan, the share of DFI in total investment in the 15 open cities and the five SEZ's would be 17 percent and 82 percent respectively.[21]

DFI as a supplement to available supplies of capital was all the more essential because the capital it provided was in hard currency. Officials of Beijing Municipality, for example, admitted that DFI was particularly sought after as a source of foreign exchange for the capital city. Between 1980 and 1986, the DFI actually used by the city amounted to $850 million (compensation trade deals included), the equivalent of two years' total investment in fixed assets by the city under the state plan (converted at the rate of $1 = 5 yuan) and 1.25 times the total amount of foreign exchange the city was allowed to retain from its export earnings in 1980–86.

DFI's contribution to capital investment was particularly salient in certain sectors of the economy. The sec-

[20] In this section and the following one, unless noted, information was obtained through personal interviews with Chinese officials, local and central, as well as Chinese managers working at the FIE's.

[21] *China Economic News* (Beijing), Supplement No. 8, Aug. 29, 1988, p. 3. (In 1988, Weihai was added to the original 14 open cities, and Hainan became the fifth SEZ.)

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tor that absorbed the largest proportion of DFI, and also the one that caused the most controversy, was the tourist industry. Between 1979 and 1988, over $4 billion in DFI funds were actually invested in luxury hotels and other tourist facilities in the metropolitan cities. Although many Chinese have questioned spending so much on luxury construction and allowing foreigners to take control of so large a part of it, it is a recognized fact that the rapid growth of China's tourist industry contributed significantly to the national economy in the last decade, and that such growth would not have been possible without the participation of DFI.[22] Moreover, as state officials have privately admitted, the building of hotels might be a net gain to China, as many of the projects actually cost the Chinese partner little cash during their construction and the ownership of most will pass completely to China within 15 years.

The second largest beneficiary of DFI utilization was the energy sector, especially offshore oil development. In 1980–87, the country signed 33 joint exploration and exploitation contracts with 12 countries, attracting $2.17 billion of foreign capital, a substantial part of the total investment in the energy sector. By the end of 1987, 162 exploratory wells had been drilled along China's continental shelf. Although not all the exploration activities yielded satisfactory results, they helped China discover a few valuable fields of oil and natural gas, establish a primary offshore oil base, and, more important, compile valuable firsthand information on its offshore oil deposits. DFI participation clearly relieved the Chinese government of a sizable financial burden in accomplishing these tasks.[23]

Although the contribution of DFI to the industrial manufacturing sector has been nominal, it was accelerating toward the end of the decade.[24] Moreover, the benefit to China from use of DFI in this sector might be greater than it at first appears, considering the fact that many Chinese partners used existing plants and facilities as their major contribution to the joint ventures formed in this field. The practice not only saved the Chinese cash inputs but also helped them renovate their old plants, which otherwise would have required a large amount of capital investment.

The Babcock and Wilcox Beijing Co., Ltd., which produces large-sized industrial and power station boilers, is an example of a joint venture formed without capital inputs from the Chinese side. The original Beijing Boiler Plant (BBP) was a state-owned enterprise that used technology that was backward even by domestic standards. In 1986, BBP and the American Babcock & Wilcox Corp. agreed to form a joint venture to be owned 50/50 by the two sides. The terms of the contract called for the Chinese partner to use its existing plants and equipment as major contributions and the American partner to provide the cash and technology needed for renovating the plant. Production under the joint venture started in 1986, and within two years, the production capacity of the joint venture more than doubled that of the original BBP. To have achieved the same result without foreign participation, the state would have had to invest more than 100 million yuan.

Government revenue. The contribution of DFI to China's state revenues has only recently attracted attention. Like most other developing countries seeking to attract DFI, China granted special tax incentives and license privileges to foreign companies operating in the PRC. In the early stages of the practice, therefore, tax income collected by the host government was limited.

However, as time went on and as more and more foreign investment enterprises in the country became profitable, and therefore taxable, government revenue increased significantly. According to one official source, in 1986, the Chinese government received a total revenue of 840 million yuan from the 1,178 FIE's operating that year in China, 270 million yuan in the form of corporate and income taxes and 570 million yuan in customs duties. This was about half of the total profits generated by the FIE's. If one adds the profits shared by the Chinese partners, who by and large represented the government in a different form, China's total gain was three-fourths of all profit yielded by the FIE's that year. The prospect of still greater state revenues from this source constituted a strong incentive for encouraging the establishment of even more DFI activities in the country.

Technological progress. DFI also contributed to China's technological progress. Several aspects of technology transfer through DFI are worth particular attention. First, the transfers tended to be pragmatic and to emphasize the economic result. Compared to the state enterprises, the FIE's were more conscious of cost-benefit calculations, and were therefore more careful in selecting the appropriate technology. Most FIE's actively adopted foreign technology if it would improve the quality and variety of their products. On the other hand, if the technology developed abroad was more labor-saving in nature, many FIE's chose not to

[22]In 1988, for example, the country received a total of more than 31 million tourists from overseas, and thereby gained $2.22 billion income in hard currency. This was a substantial contribution to China's foreign exchange reserve. See *Renmin ribao*, Mar. 24, 1989.

[23]Ibid., Sept. 22, 1987.

[24]In 1988, for instance, over 80 percent of the DFI projects approved were reportedly related to manufacturing activities.

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use it. For instance, in Guangdong province, where DFI was concentrated in the processing and assembling industry, FIE's often operated with local facilities or second-hand equipment from Hong Kong. In the early stages of joint venture formation, the insistence of foreign partners on using the most pragmatic production means was often a source of friction as the Chinese partners were anxious to adopt "the most advanced technology." In most cases, however, the partners eventually agreed that the method that produced the best economic result for the firm should be adopted.

The Guangzhou Lianfa Shoe Co. is a good example of a joint venture in which a realistic selection of production methods produced positive results. Lianfa, a Sino–Hong Kong joint venture with a limited initial investment of $400,000 (50 percent contributed by each partner), subscribed to the principle of thrift and efficiency. It spent every penny carefully and, wherever possible, used local machinery and equipment in order to survive and grow in the competitive international shoe market. However, it spared no effort to strengthen the two ends of production, sourcing and marketing, and to streamline the process of production. The result was remarkable. Within two years, Lianfa was able to multiply its production, successfully export all its products to the international market (despite its original plan to export only 60 percent of output), and make handsome profits. By late 1987, it expanded by putting a second shoe manufacturing company into production and had a third one under construction.

Obtaining technology through DFI appeared to be more effective than other forms of technology transfer, such as machinery import or licensing arrangements. This seemed particularly true in those industries where high-tech transfer was involved. First and foremost, the technology involved in high-tech fields was often of an exclusive nature. DFI in the form of Sino-foreign joint ventures offered a common interest and an institutional framework that encouraged and facilitated normally difficult technology transfers. Second, the technology in these fields was more complicated and often required an intensive human interaction. Technology obtained through DFI was typically packaged with management know-how, personnel training, and on-the-spot cooperation between foreign and Chinese technicians, all of which are crucial to the successful adaptation of complicated technology. Third, FIE's sometimes allowed dynamic technology transfer, which was particularly useful in those industries where technological progress and replacement were rapid. Many Sino-foreign joint ventures concluded technology transfer agreements that enabled the recipients to follow closely technological developments abroad.

Jinrong Co. Ltd, a Sino-Japanese joint venture developing high-tech electronic products, was a typical example of effective technological transfer through DFI. The Chinese partner of the venture was an unprofitable manufacturer of tape recorder components, whose products were of such poor quality that it ranked second to last within the domestic industry. In the years 1981–85, the factory launched a series of technical upgrading campaigns in order to revitalize production. It hired some Japanese experts to participate in an enterprise diagnosis, spent foreign currency to import key equipment, and introduced new products close to international standards. All these efforts, however, yielded only limited results. Due to insufficient management and technical knowledge, the capacity of the imported equipment was often not fully used and key technical problems could not be solved. It was the need to resolve these problems that led to the idea of seeking foreign partners to form a joint venture. Three Japanese companies responded and became partners in 1985. Within a year or so, both the productivity and total output of Jinrong were tripled, and some of its products began to enter the international market.

The Beijing Jeep Corp. is a good example of progressive technology transfer through DFI cooperation. When negotiating the joint venture, the Chinese partner insisted on a contract with the American partner (AMC) that provided for continuous technology transfer which would enable the joint venture to update its products in line with new developments in the auto industry abroad. This contract proved to be very helpful to the future development of the joint venture. When the venture was first established, the decision was made to make its main product the CJ Jeep, an improved model of the American jeeps widely used during World War II. Shortly after the model was put into production in 1984, the joint venture recognized that a 1983 AMC model, the XJ (Cherokee) Jeep, was a much more desirable product, reflecting the latest developments in design, manufacturing, and quality in the auto industry. In accordance with the contract for progressive technology transfer, the joint venture asked for a change of main product; the demand was accepted by the board in 1985. Clearly, this would not have been possible with a licensing contract.

Enterprise management. The success of technology transfer, as we have seen, was often closely related to improvements in enterprise management. Encouraged by the center's policy, FIE's typically adopted either partially or entirely the management system introduced by their foreign partners. As a result, most of them reported rather revolutionary improvements in productivity and efficiency.

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Nevertheless, mutual understanding and good cooperation at the managerial level were slow in coming. In joint ventures formed on the base of originally state-owned enterprises, the Chinese managers and workers had an especially difficult time getting accustomed to stricter work discipline and demands for productivity. Confrontations between the Chinese and foreign participants in FIE's were sometimes intense during the early stages of joint ventures, but usually slackened or disappeared as mutual understanding improved over time.

Babcock and Wilcox Beijing Co., Ltd., provides a good illustration of these stages in the transformation of enterprise management. This 50/50 Sino-American joint venture, which was formed, as noted above, on the base of a Chinese enterprise originally owned by the state, was confronted with serious management problems in its early days. Not only did many of its Chinese workers complain about the heightened work discipline they had to endure, but many Chinese managers resented having to take orders from foreigners. Some even coined the slogan that they would "rather earn 10 cents by working for China than earn a dollar by working for the foreign capitalists."

The American managers, for their part, were poorly prepared for working closely with their Chinese hosts. Some appeared arrogant and impatient, which only triggered more resentment among the Chinese. At one point, the dislike on both sides became so strong that it broke into open conflict. Some workers expressed their resentment by coming to the plant but refusing to work. These workers posted lookouts who warned them when a foreign foreman was coming. The workers would pretend to work hard, but as soon as the foreman left, many immediately stopped work and took naps.

Soon, the managers on both sides realized that unless a better working relationship could be established, success of the joint venture was not possible. Both sides made efforts to communicate with and understand one another. Through such efforts, the Chinese discovered that the point of their American partners' strictness of management was not to "exploit" them but to improve the efficiency of the plant. The Americans, on the other hand, learned how to respect Chinese feelings when addressing management problems. Together, they developed new work regulations, restructured the wage system, and designed a reward and punishment scheme that encouraged employees at various levels to work hard and be creative. General managers, Chinese and foreign, often greeted workers at the plant gate in the morning to remind them that everyone was an important part of the enterprise community.

These efforts yielded positive results. Most of the workers welcomed the new wage system and the other regulations as they recognized more personal incentives in them. Many who were prejudiced against foreigners started to appreciate the "fairness" of the new system, which gave rewards and meted out punishment strictly according to individual performance. As one Chinese manager put it:

It must be admitted that their [the American] management system works better than ours. It was as if our American partners have provided us with a sharp surgical instrument that cut the body of our old system and perception, but the purpose was to cure the disease.

Foreign trade. The impact of DFI on China's foreign trade remained relatively small up to the end of the decade, but it was growing rapidly. Its effect, however, remained rather ambiguous, as DFI activities clearly spurred both imports and exports. The constant concern of the government over the aggregated foreign exchange balance of FIE's gives an indication that the net effect on the current account was most likely negative.

Data on exports by FIE's are more available than data on imports. According to official sources, exports by FIE's in China as a whole almost doubled every year between 1984 and 1988, to reach $2.4 billion in 1988. Their share of the country's total exports steadily increased—from less than half a percent in 1984 to about 6 percent in 1988.[25] The impact of DFI on exports was most prominent in Guangdong, the province known for using such investments primarily to develop its export industries. According to a local official source, Guangdong doubled its total exports in the years between 1984 and 1986. FIE's accounted for a large proportion of the total: in 1984, the absolute value of exports by the FIE's in the province was $115 million, or 5.3 percent of the province's total exports; in 1986, it was $750 million, or 17.9 percent of total exports.

Although specific data on imports attributable to FIE operations are not available, a local survey taken in Guangdong province may be indicative of overall trends. It is estimated that about $1.78 billion was spent by the FIE's on 1,500 packages of imports of production equipment and assembly lines from 1979 through the end of 1985. High-tech product manufacturing enterprises in modern industrial sectors in other parts of China were believed to depend even more on imports, as their pro-

[25]FIE export figures between 1984 and 1987 were provided by the Ministry of Foreign Economic Relations and Trade (MOFERT) officials interviewed; the figure for 1988 is available in *Renmin ribao*, Mar. 9, 1989.

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duction required imported parts and components. This often raised the question of the desirability of encouraging DFI activities in China, especially when the country's current account was continually deteriorating.

However, arguments were made that in the long run, DFI might help China gain a positive trade balance as it encouraged the production of more competitive and attractive goods for export.[26] Moreover, many FIE's, especially those in high-tech fields, were established to make products that China originally had to purchase overseas. The availability of their products in the domestic market helped reduce the country's import needs. Also, the making of producer's goods by FIE's provided domestic industries with better equipment and instruments, which in turn increased the latter's product quality and production capacity and thereby their potential for increasing exports.

Local employment. The impact of DFI on local employment is a complex matter. In the first place, as the activities of FIE's, especially those in export-oriented manufacturing, expanded rapidly, they hired increasingly large numbers of local employees. According to one preliminary estimate, some 300,000–500,000 Chinese men and women were working for the 6,000 or so FIE's in operation in the country by early 1988.[27] If one includes the offshore processing and assembling enterprises, the workers involved numbered between 1.5 and 2 million. The importance of DFI in creating jobs was most evident in Guangdong province, where about 1 million people, or one-third of its total industrial labor force, were employed in DFI activities (including processing) by the end of 1987.[28]

At the same time, the importance of DFI in the overall national employment picture was minimal; employees of FIE's made up no more than 3 percent of the total industrial labor force of the country. Furthermore, where FIE's created totally new plants, they tended to draw skilled manpower from existing state-owned enterprises. In other cases, where FIE's were formed in conjunction with existing enterprises, the increased productivity of the FIE led to a reduction in the number of available jobs. These matters would have been less of a problem, some have argued, had there been an effective mechanism to reallocate workers among sectors.

Income distribution. DFI activities unquestionably contributed to an overall increase in incomes, but the distribution of the benefits tended to be uneven, both by regions and locally. In Guangdong province, where one-third of the local labor force was involved in such activities, the improvement in living standards was quite remarkable. In 1978, the province ranked tenth in the country in per capita income; by 1987, it ranked first.[29] The concentration of DFI activities in coastal areas, in which living standards were already higher than elsewhere, aggravated inequalities and caused concern among some central planners over the polarization of regions according to income.[30] Increased awareness of widening income gaps among individuals within the same regions also created a certain degree of social discontent and disruption. Wages offered in Sino-foreign joint ventures could easily be two to five times higher than those offered by state-owned enterprises for the same kind of work.[31]

This probe into DFI's impact on China's economy, preliminary and incomplete though it may be, demonstrates that the benefits to China of DFI in this period were quite significant. Especially in the areas of capital contribution, technological progress, and enterprise management, DFI appeared to have contributed very positively to China's economy.

Problems Encountered by DFI

The picture of DFI development in China is, of course, not all rosy. As the scope of DFI practice expanded over the years, so did the difficulties and problems. Especially in the last few years, when DFI activities increased dramatically, frustration and complaints on both the investing and host sides also rose rapidly. This increased frustration gave rise to the question: even if DFI initially played a positive role in China's economy, would such a role continue into the future and, if so, under what conditions? Even before June 1989, many were aware that formidable socio-economic problems had already developed, forming substantial obstacles to further progress in DFI.[32] It had become clear that failure to remove these obstacles would ultimately halt, if not reverse, the momentum of DFI development in China.

Major problems of DFI operation in China can be categorized into two groups, those reflecting economic constraints and those reflecting systemic constraints. The economic constraints, inevitable in such a large

[26]Harding, loc. cit., pp. 37, 41.
[27]*Renmin ribao*, Feb. 5, 1988.
[28]Ibid., Mar. 11, 1988.
[29]*The Washington Post*, Nov. 17, 1988.
[30]*Renmin ribao*, Jan. 23, 1988.
[31]"How to Look at the Income Disparity?" *Jingji ribao* (Beijing), May 3, 1988.
[32]Dong Furen, in *Renmin ribao*, Dec. 12, 1988, trans. in *FBIS-CHI*, Dec. 30, 1988, p. 33.

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economy still in its early stages of development, manifested themselves in problems such as insufficient foreign exchange, limited domestic markets, and poor absorption of technology. The systemic constraints, rooted in the country's socialist centrally planned economy, were mostly reflected in such difficulties as the inadequate supply and distribution of production inputs, a regimented labor recruitment policy, and bureaucratic red tape.

Economic constraints. Of the economic problems facing DFI in China, foreign exchange shortage was the most intractable. This problem deepened as China clung to nonconvertibility of its currency and strict government control of foreign exchange allocation. In approving DFI projects, the government continued to require all FIE's to demonstrate an ability to balance their own foreign exchange accounts by exporting at least part of their products. This presented foreign investors with a dilemma. Most companies that opened business in China were interested in the vast potential of the local market. Except in some standardized assembling industries and in areas with easy access to Hong Kong, export activities had not been particularly attractive to foreign investors. Despite the fact that labor in China was relatively cheap, overall production costs were often considerably higher than in neighboring Asian countries due to low production efficiency, poor product quality, insufficient commercial infrastructure, and many unexpected operational problems.

Selling to the domestic market was, however, rife with problems, the most important of which was the problem of an unconvertible local currency and therefore of profit remittance. Even those companies that were in no hurry to take out profits and chose to reinvest most of their initial profits in China were faced with the problem of a shortage of hard currency. Since many FIE's, especially those using high technology, needed foreign exchange to import a large proportion of the components and raw materials needed for their production, the foreign exchange quandary caused a great deal of anxiety and disappointment among foreign investors. In some extreme cases, the investors openly threatened to withdraw.[33]

The Chinese perspective on the same dilemma, though less known in the West, was no less serious. As a large developing country that was only beginning its economic take-off, China was, and was destined to remain for a long time, a net importing country. Foreign exchange scarcity thus became an inevitable and long-term constraint. As mentioned earlier, one of China's original purposes in encouraging DFI was to gain an extra source of foreign exchange. It was hoped at the beginning that FIE's should serve as a net supplement to the country's limited foreign reserves. When they instead proved to be a drain on reserves, it naturally caused great concern among the central planners.

The inflexibility of China's foreign exchange rate system led to another major concern—that of domestic market protection. Although the country had moved substantially away from its previous autarchic path and had adopted a positive attitude toward foreign capital and technology, anything approaching "trade liberalization" was still very limited.[34] Despite the rhetorical effort of using domestic markets as a major attraction in soliciting DFI, actual policies reflected a reluctance to open the domestic market to FIE's lest "foreign goods" (even if manufactured in China) flood the local market and hurt the domestic (state-owned) industry. Restrictions on domestic sales by FIE's, therefore, were regarded as necessary from the very beginning. Over time, however, these restrictions had a dampening effect on DFI in the country. They weakened the incentive for foreign investors and particularly discouraged FIE's from introducing advanced technology. Chinese policymakers gradually realized that unless they were willing to allow FIE's some access to the domestic market, it would be impossible to attract substantial amounts of foreign capital and technology.

Just how the domestic market should be opened to foreign manufacturers raised a number of difficult questions. Throughout the 1980's, those FIE's transferring new technology to China and turning out products that substituted for imports were favored. Since 1986, several hundred FIE's of this kind have been certified as "advanced technology enterprises," which entitles them to sell their products mainly in the domestic market. This, however, did not mean that the FIE's were guaranteed a government source of needed foreign exchange. Instead, the government attempted to urge domestic customers to pay for the products of the FIE's in foreign exchange. However, foreign exchange was difficult for domestic customers to obtain, and once obtained, was too precious to be spent on domestically assembled goods rather than on imports, as the latter were believed to be of better quality and sometimes less expensive.[35]

Once domestic customers failed to use their precious foreign exchange to purchase FIE products,

[33]Frisbie, loc. cit., p. 25.

[34]Nicholas R. Lardy, *China's Entry into the World Economy*, Lanham, MD, University Press of America, 1987, p. 39.

[35]Frisbie, loc. cit.

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there was increasing pressure on the government to use high tariffs or even import prohibition to protect domestic manufacturers. The government responded by taking such steps with regard to selected products that were regarded as crucial to the national economy. There were self-imposed limitations on this strategy, however, as China wanted to avoid any possible charges that would prevent it from joining in the General Agreement on Tariffs and Trade. From time to time, therefore, when all other measures fell short, the government was compelled to provide foreign exchange subsidies to the besieged FIE's, especially those having high visibility.

While the application of all these measures helped some FIE's to surmount immediate hurdles, it caused other difficulties and led to controversy at the national level. Joint ventures in the auto industry, for instance, were among those that received the most protection from the government during the decade. It was well known, however, that the total cost of producing a car at a joint venture enterprise in China (including the costs incurred from importing parts and components) was considerably higher than that of importing a similar product from an overseas manufacturer. Thus, the joint venture product was not competitive in the international market, or for that matter, in the domestic market so long as imports were available. Shortly after the joint ventures started their production, therefore, it became clear that without government help, their very survival was in jeopardy.

The government intervened first by "encouraging" (i.e., coercing) domestic customers with foreign exchange to buy from the joint ventures. When this proved insufficient, Beijing prohibited imports so that domestic buyers were forced to turn to homemade products. When the joint ventures were still unable to make their foreign exchange expenditures and income meet, the government was compelled to provide foreign exchange subsidies.

These measures were controversial because they promoted high costs and protected inefficiency. Some policymakers justified their actions in terms of the "infant industry" argument. There was great concern, however, that their price was too high and the burden they put on the government too heavy since the industry would take a long time to "mature." Other proponents of these measures, apparently including those from the ministry responsible for making auto industry decisions, tried to justify the high cost with the "national security" argument. But this argument, even if it could be accepted, raised questions about the effectiveness of the policy. Obviously, when 60–80 percent of the parts and components needed to assemble a car were imported, the auto industry could hardly be regarded as a secure national industry. The recent emphasis on gradual "nationalization" of the sourcing for parts and components seems to have done little to generate any confidence that the auto industry will ultimately be able to acquire all that it needs domestically. According to the Chinese experts working at auto joint ventures, more than a 50 percent "nationalization" of parts and components for auto production cannot be achieved in the foreseeable future. The auto industry needs over 10,000 high-quality parts and components, the production of which depends on a wide range of highly developed metallurgical industries as well as industries providing other materials. Given the existing level of China's general industry, true "nationalizing" of the country's auto industry is, of necessity, a remote goal.

Nor were such problems unique to the auto industry. Almost all other DFI projects involving high-tech transfer, ranging from computer to elevator industries, faced a similar dilemma. This was partly because past efforts by China to encourage technology transfer through DFI tended to emphasize the final stages of high-tech products, which made cooperation between FIE's and domestic industries, both vertically and horizontally, extremely difficult. This not only caused a foreign exchange problem, as technology had to be acquired via imports, but also led to concern about the long-term strategy of industrial and technological development.

Systemic constraints. The wide systemic differences existing between China and the major investing countries were another major source of difficulties in DFI development in China. For decades, China's economy had followed a Stalinist model characterized by highly centralized planning—a system that has been modified but not fundamentally changed by recent reform efforts. FIE's, on the other hand, were profit-oriented entities, whose behavior was determined by the changing climate in the market. To implant DFI activities into the domestic economy and make the two cooperate with one another clearly required a level of political craftsmanship that neither China nor any other country had heretofore attained. Often, state officials were heard comparing the difficulty of this work to that of placing a round peg into a square hole.

Take, for example, the inadequate production and unfair distribution of input supplies. Under the existing Chinese system, financing, energy, and key material inputs were mostly allocated to producers by the state through a highly bureaucratized procedure. Needs and demands were decided by government planners at various levels, and increases or reductions in production plans were usually made at least a year ahead.

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In recent years, a market in materials that was not controlled by the state plan started to emerge in China as the result of reform. But since the reform was not complete, this market never grew into what was expected, and this, as many complained, created a situation that benefited speculators more than producers.[36] Since allocating authorities in the government remained the dominant power, economic entities, such as FIE's, that fell outside of the state plan naturally faced a problem of how to get all the production inputs they needed.

During the early years of the decade, when the number of FIE's in China was rather small and their aggregated demand for inputs limited, government authorities at various levels were often able to use administrative leverage to supply their needs. In later years, however, as FIE's rapidly expanded, this tactic proved increasingly difficult. To find a more stable base of input supply for the FIE's, the Chinese government first tried to shift the burden back to the FIE's by requiring the latter to be responsible for their own input needs, i.e., to obtain them from abroad. This triggered loud protests from foreign companies, who found overseas sourcing either too costly or too difficult. It also invited criticism from within, as many in China pointed out that excluding FIE's from the state plan lessened the original purpose of using DFI to explore local resources and promote domestic growth. Besides, there arose a more immediate problem of increased foreign exchange expenditure and higher production costs due to the importation of materials.

More recently, the government changed its strategy to advocating "incorporation of DFI into the state plan." It is not clear, however, how this scheme will be carried out. There have been abundant signs that different departments within the state allocation system will have enormous difficulty reaching an agreement on how to share the extra burden. It is also clear that many foreign companies abhor the prospect of being controlled by the state plan.

Problems have also emerged from the workforce recruitment system for the FIE's. Under the current Chinese system, allocation of labor, like that of other production inputs, is planned and implemented through the government network. Government agencies assign individual workers to their jobs, where they stay regardless of their desires or those of their employers. Things became complicated in the case of FIE's. Foreign employers insisted on the right to hire and fire workers as they saw fit, and this right was granted by the Chinese government in theory. In practice, however, an absence of a skilled domestic labor market limited this right. Chinese workers, managers, and technicians were thus mostly "provided" to the FIE's by local government agencies, and the effectiveness of this supplied labor force often depended on the good will of these bureaus. Those FIE's who found qualified personnel through other channels needed permission from the local bureaus before they could hire.

In the last few years, as DFI activities increased rapidly, competition intensified between FIE's and state-owned enterprises for the limited pool of skilled labor and experienced managerial staff, causing a lot of friction and complaints. In 1988, the central government reaffirmed its promise that foreign firms had an independent right to hire and fire and did not need the permission of the local personnel bureaus to recruit their employees. While this reinforced the FIE's in their disputes with local agencies in China, the fact remained that the FIE's continued to feel their freedom to hire and fire limited, given the continued absence of a local labor market.

The problem of bureaucracy in China's DFI practice has been particularly onerous. Every step of the way from project negotiation to commencement of operations, DFI participants have had to fight hard against red tape. It was commonplace for a manufacturing joint venture to need more than 50 rubber stamps before normal operations could start.

FIE's were not, of course, alone in experiencing this problem. The phenomenon, which the Chinese government often tries to lay to the irresponsibility of some officials, actually has deeper roots in the Chinese system. The economy, modeled on that of the Stalinist command-administrative system, put all industrial and commercial activities under government control, and thus needed a large bureaucratic network for its functioning. A state project, for instance, typically begins with the government planning commission, is approved by the economic commission, is coordinated by the ministries of relevant industries, and is supported by the agencies that control finance, energy, raw materials, labor, and so on. Like a joint venture, it, too, often requires more than 50 stamps of approval.

To make things easier for the foreign investors, the Chinese government in recent years has tried to restructure the system of foreign economic relations. The steps taken, however, stopped short of a fundamental change of the domestic system and yielded only limited results. For instance, the attempt to maintain "one window to the outside," i.e., to authorize the Ministry of Foreign Economic Relations and Trade (MOFERT) as the

[36]Dorothy Solinger, "Capitalist Measures with Chinese Characteristics," *Problems of Communism*, January-February 1989, pp. 19–33.

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sole government agency granting approval to DFI projects, simply shifted the burden of going from window to window from the foreign investors to MOFERT.

These systemic problems were widely recognized, and during the decade, China's leaders made a substantial effort to "improve the investment environment" at home. While overall domestic reform would take time, the government undertook some bold experiments within certain parameters. Within the SEZ's, for instance, the government encouraged a market-oriented practice more like that in the capitalist West than in the rest of China. Later, when DFI practice spread to other parts of the country, the government stressed the importance of "creating small environments" within the FIE's, in which "foreign managers can run enterprises according to international standards."[37]

These experiments resulted in remarkable economic successes within the SEZ's and FIE's that had a considerable impact on the rest of the domestic economy. Nevertheless, there was always a limit on how far reforms could go. In interviews with those working in the SEZ's or FIE's, one noticed an extreme sensitivity about the general climate of domestic reform. As it was often expressed, SEZ's and FIE's shared the weal and woe of domestic reform. The former would jump when the latter gained vigor, and would sneeze when the latter caught a cold. Moreover, the creation of economic enclaves sometimes positioned the FIE's against a jealous and balky local community. Chinese managers working for FIE's complained about discrimination against them by some local agencies. They often compared themselves to the poor daughter-in-law in Chinese lore who was mistreated by a mean and greedy mother-in-law. "Only in our case the 'mothers-in-law' were more than one," they would say with a bitter smile.

Prospects

The situation DFI faced in 1987–88, critical as it was, was further damaged by the June 4, 1989, incident on Tiananmen Square. Within the first few weeks after the tragic event, several thousand foreign businessmen packed up and left the country. Foreign governments and international organizations also reacted with wrath, and many imposed economic sanctions on the PRC to condemn the government's actions. Although most of the foreign businessmen returned to China to look after their property as soon as the situation appeared stabilized, the cloud in their mind about their future in China has not been lifted.[38] The shock was no less severe to the Chinese people than it was to outsiders. The magnitude of the tragedy, the personnel changes in the top leadership, and the strengthened political control and economic austerity that followed—all led to a great sense of uncertainty among the people about the future of their country.

The new leadership emerging out of the crisis has anxiously tried to reassure the public that it will not reverse the course of reform or allow China to revert once more to a closed country. Officials directly involved in DFI have tried to woo foreign investors with the promise that all will soon be back to normal and prosperity will be restored. The official figures released in the fall even seemed to provide some evidence that a revival of DFI is under way.[39] All this, however, has not been sufficient to rekindle confidence in DFI in China. The fact is that so long as the world is not convinced that overall political stability and economic prosperity can be reestablished in China, potential investors will shy away from the country and investors already there will try to take their profits out of the country as quickly as possible.[40]

Thus, the future of DFI in China depends heavily on the willingness and the ability of the government to bring the economy out of the present crisis. But if and when the government succeeds in stabilizing the general political and economic situation, it will still need to resolve the major problems that had appeared in the late stages of the development of DFI. To a large extent, the economic problems we discussed earlier—the foreign exchange constraints, protection of domestic industries, issues of technology absorption, etc.—represent some of the basic obstacles to China's overall development. They point to a need to define objectives and improve the ways of making economic decisions. As many have gradually come to recognize, the goals and means of soliciting DFI should identify priority sectors and industries and adopt more realistic policies in regard to specific products, stages of production, and production technology. Concerning the foreign exchange issue, many also now agree that different policies should be applied to different industries and products, to reflect the needs both of exploring China's comparative advantage in the international market and

[37] *Renmin ribao*, Jan. 23, 1988.

[38] "Investment in China: Yankee Gone Home," *The Economist*, June 24–30, 1989, p. 66.

[39] According to the official figures, after a brief halt in June, DFI contracts signed in July–September reportedly reached about 1,000. See *Renmin ribao*, Nov. 11, 1989. This increase, however, is believed to be misleading, since most of the contracts signed had been under negotiation, perhaps for years, before the June 4 incident.

[40] *The Wall Street Journal*, Aug. 3, 1989.

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of obtaining advanced technology from the West for domestic development.[41]

The systemic constraints that became increasingly obvious in the late stages of DFI practice in China suggest that the PRC needs to make more substantial improvements in its domestic economic system in order to attract the DFI it wants. The internal debates over the desirability of a market economy versus a planned one are far from being resolved, and it may be a long time before agreement is reached. More and more Chinese, however, have come to realize that before the country lets in more DFI, it should decide to what extent it is willing to accept Western market values and practices and to what extent it is able to remold its present economic system to accommodate the needs and requirements of foreign firms. To deepen the systemic reform would by no means be easy. Yet, after 10 years of experiment, many have realized that domestic reform is indeed the key to the final success of DFI in China.

Even in the aftermath of the political events of spring 1989, the overall picture is not entirely bleak. Despite many difficulties and setbacks, the Chinese have so far managed to move constantly forward and capture real benefits for their own economy. As formidable as the problems were, they presented challenges as to *how* rather than *whether* the domestic reform and open-door policy should be continued. Moreover, lessons gained in the first 10 years, both positive and negative, cannot be erased overnight from the minds of the people who worked hard to learn them. In the long run, China wants modernization, and modernization requires closer international cooperation—this is a historical trend that is not likely to be reversed. Thus, DFI in China will remain an important field for exploration for both foreign investors and the Chinese themselves in the decades to come.

[41]In 1987–88, in effect, the State Council was actually working hard, in collaboration with various state missions and ministries, on a long-term strategy concerning DFI policies. (From an interview.) The delay of formulating such a strategy indicates the magnitude of the difficulties, but efforts were clearly on the right track.

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Checklist of Communist Parties in 1989

EDITORS' NOTE: By arrangement with Richard F. Staar and the Hoover Institution on War, Revolution and Peace (Stanford, CA), we present the latest version of the "Checklist of Communist Parties," covering developments in 1989. This checklist continues a series that has appeared in the *Yearbook on International Communist Affairs* (*YICA*) since 1976, and has been jointly published with *Problems of Communism* since 1981. The current list is a slightly modified version of material to appear the *1990 YICA*.

Richard F. Staar

EMULATION being the sincerest form of flattery, the editors of *YICA* were flattered that after almost a quarter of a century of publishing their annual compendia on the communist parties of the world, Peace and Socialism International Publishers in Prague issued a slim 140-page volume entitled *First-Hand Information: Communists and Revolutionary Democrats of the World Presenting Their Parties.*[1] In many ways less explicit and informative than the *YICA* volumes, this "official" presentation on the Moscow-line communist organizations did reveal several vanguard revolutionary democratic movements not previously identified in the *Checklist*. In most cases, the profiles in *First-Hand Information* were based on data supplied by movements having contacts with the Commission on Exchanges of Experience in Party Work of the Prague-based journal *World Marxist Review* (known in many languages as *Problems of Peace and Socialism*), an important instrument through which Moscow has attempted to coordinate communist movements around the world.[2]

The *Checklist* published here attempts to give a picture of the major communist organizations as of December 31, 1989. Unless otherwise specified, the organization is known as the "Communist Party" of the given geographic area (exceptions are listed by their initials, which are expanded in the legend on p. 84). In addition to those groups in 96 countries or geographic areas recognized by Moscow as full-fledged communist and workers' parties, we provide ruling and non-ruling "vanguard revolutionary-democratic" movements that are viewed as significant by the Communist Party of the Soviet Union (CPSU); these are identified by capital letters "A" through "M". In italics are a variety of other significant Marxist-Leninist movements. It should be noted that the CPSU recognizes more than one communist or workers' party in Australia, Costa Rica, Finland, Great Britain, India, Jamaica, New Zealand, the Philippines, Senegal, Spain, and Sweden. It also maintains contacts with communist movements in non-sovereign Guadeloupe, Martinique, Palestine, Puerto Rico, Réunion, and West Berlin.

Population figures for the respective geographic areas are estimates as of July 1989 and, with only three exceptions (footnoted), are derived from the same source.[3] The list names the most important party leader (the general secretary or first secretary, unless otherwise specified), and provides information on the dates of the most recent congress or national conference of the party, the party's legal status, and its fortunes in the most recent national election (the date of the most recent election is given even where the party was illegal

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or chose not to participate).

By year's end, dramatic events had severely shaken or ended the rule of communist movements in a number of countries. An item in the Soviet party daily, *Pravda,* summarized the situation in Eastern Europe as follows:

In a number of countries, communists have been left in the minority in the government. Many people are leaving communist ranks. Primary party organizations are disbanding and ceasing activity in the army, law enforcement organs, state organizations, and, in a number of cases, also at enterprise levels. The explosive way in which events are developing has thrown some communists into confusion and disarray.[4]

In Czechoslovakia, East Germany, Hungary, and Romania, the communist parties virtually dissolved, leading to the emergence of political groups bearing new names and disavowing the party's past organization. In the first three cases, small remnant factions claimed some continuity with the past. The Polish party, which was roundly defeated by Solidarity in the June elections, underwent a similar change in early 1990. Only in Bulgaria, among the USSR's East European allies, did the traditional communist party remain in power, and even there, it came under new leadership.[5] On December 7, the People's Republic of Benin, one of the ruling vanguard revolutionary democratic parties, renounced Marxism-Leninism as its official ideology.[6]

Although *First-Hand Information* was short on numerical detail, its claim of a total of some 85 million members in communist parties world-wide is quite close to the total of claimed or estimated membership contained in the *Checklist* below. *Checklist* figures show a decline of nearly 6 million members of communist parties from the previous year. Among ruling movements claiming to have grown since 1988 were the Chinese (1 million new members), the North Korean (500,000), the Cuban (100,000), and the Vietnamese (76,000); nonruling parties in Brazil and Spain (the PCE) also claimed modest gains. The Czechoslovak and East German parties acknowledged declines of more than 1 million members each; the surviving Hungarian Socialist Workers' Party claims a mere 82,000 at year's end compared to its previous total of 816,622; the Polish United Workers' Party was down from 2.2 million to approximately 1 million by year's end and dissolved itself on January 27, 1990; the Romanian Communist Party had ceased to exist; and membership in the Yugoslavia's League of Communists was down almost 212,000. Between March and the end of the year, the Italian Communist Party lowered its claimed membership from almost 1.5 million to about 600,000.

Turnover of party leaders was unusually great during 1989, highlighted by the execution of Romanian dictator Nicolae Ceauşescu in December. Leaders were also replaced in Bulgaria, China, Czechoslovakia, East Germany, and Hungary. Retirement, resignation, or "promotion up" cleared the way for younger leaders of parties in Argentina, Chile, and Great Britain (where Nina Temple succeeded Gordon McClennan only in January 1990). Rodney Arismendi, head of the Uruguayan party, died on December 27. An acting chairman was named to replace the captured chairman of the Communist Party of the Philippines. The Communist Party of Finland and the Finnish CP-Unity each replaced their respective chairmen and general secretaries, and the long-time leader of the Syrian CP was replaced in mid-year.

In 1989, the legal status of several communist parties was altered. The Vanguard Socialist Party of Algeria and the communist parties of Jordan and Pakistan became legal; the Communist Party of Sudan was declared illegal. The Communist Party of Malaysia dissolved itself on December 2 to re-emerge as the Malayan People's Party under former CPM General Secretary Chin Peng. The communists of Australia merged with other leftist groups to form a New Left Party. A new United Communist Party of India was formed by groups in the south from Salem and Tamil Nadu plus the Alliance of All-India Communist Party and some former members of the Communist Party of India. In Mexico, members of the (communist) Socialist Party merged into the new Democratic Revolutionary Party led by non-communist Cuahtémoc Cárdenas.

Communist parties participated in a variety of parliamentary or presidential elections in 1989. In the Netherlands, the Communists participated with the Greens in a bloc that won six seats. As expected, in Benin and Zimbabwe, the ruling movements captured all the seats. Communists in Spain joined a leftist coalition that

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[1]Alexander Subbotin, Ed., *First-Hand Information: Communist and Revolutionary Democrats of the World Presenting Their Parties,* 1988. The only comparable volume originating in the communist world was Henryk Sobieski et al., Eds., *Partie komunistyczne i robotnicze świata* (Communist and Workers' Parties of the World), Warsaw, Książka i Wiedza, 1978. This was a much more comprehensive effort than *First-Hand Information,* but it was never updated.

[2]See Wallace Spaulding, "Communist Fronts in 1986," *Problems of Communism* (Washington, DC), March-April 1987, pp. 57–58.

[3]US Central Intelligence Agency, *The World Factbook 1989,* CPAS WF 89-001, Washington, DC, US Government Printing Office, May 1989.

[4]*Pravda* (Moscow), Jan. 4, 1990.

[5]For country-by-country detail, see "1989: A Year of Upheaval," in Radio Free Europe-Radio Liberty, *Report on Eastern Europe* (Munich), Jan. 5, 1990.

[6]Cotonou Domestic Service, Dec. 7, 1989, translated in Foreign Broadcast Information Service, *Daily Report: Sub-Saharan Africa* (Washington, DC), Dec. 8, 1989, pp. 11–12.

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Checklist of Communist Parties in 1989

L — legal; O — outlawed; R — ruling; U — unrecognized

Sub-Saharan Africa[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
A. Angola (MPLA–PT)	8,533,989	45,000 claimed	José Eduardo dos Santos	2nd, Dec. 9–11, 1985	R	— (1980); all 203 MPLA approved
B. Benin (PRPB)[e]	4,663,832	2,600 est.	Mathieu Kérékou (Chairman, CC)	2nd, Nov. 18–24, 1985	R	89.6 (1989); all 206 PRPB approved
C. Chad (UND)	4,949,132	No current data	Unknown	1st, Dec. 1986	O	N.a
D. Congo (PCT)	2,227,744	9,912 claimed	Denis Sassou-Nguesso (Chair.)	4th, July 26–31, 1989	R	95.0 (1984); all 153 PCT approved
E. Ethiopia (WPE)	49,762,492	70,000 claimed	Mengistu Haile Mariam	1st (Const.), Sept. 6–10, 1984	R	85.0 (1987); all 835 WPE members
1. Lesotho	1,711,072	No current data	Jacob M. Kena	7th, "early 1987"[f]	U	(1985)[g]
F. Madagascar (AKFM)	11,073,361	60,000 claimed	Richard Andria-manjato	N.a.	L	— (1983); 9 of 137
G. Mozambique (FRELIMO)	14,725,301	130,000 claimed	Joaquim Albert Chissano (Pres.)	5th, July 24–30, 1989	R	— (1986); incomplete tally
2. Nigeria (SWPP)	104,118,000[h]	No current data	Dapo Fatogun	1st, Nov. 1978	O	(1983)
3. Réunion	557,441	2,000 est.	Paul Vergès	5th, July 12–14, 1980	L	35.0 (1988); 13 of 44 to leftist coalition (9 for PCR)
4. Senegal (PIT)	7,506,197	No current data	Amath Dansoko	2nd, Sept. 28–Oct. 2, 1984	L	0.84 (1988); none
(LD-MPT)[i]		No current data	Unknown	2nd, Dec. 1986)	L	— 1988; none (voted with PIT)
5. South Africa	38,509,312	No current data	Joe Slovo (in exile)	7th, June 1989	O	(1984)
6. Sudan	24,476,290	9,000 est.	Muhammad Ibrahim Nugud Mansur	4th (legal), Oct. 31, 1967	O[ij]	1.67 (1986); 5 of 301[k]
H. Zimbabwe (ZANU–PF)	10,022,000	3,000,000 claimed	Robert G. Mugabe (Pres. & First Sec.)	4th, Dec. 19–22, 1989	R	76.0 (1987); 77 of 100[l]

[a]Arabic numerals indicate the 96 countries or geographic areas in which Moscow apparently recognizes the existence of communist parties. Listed with capital letters "A" through "M" are 13 countries in which there are significant "revolutionary democratic" parties (a majority of them ruling)—organizations on the verge of evolving into full-fledged communist parties in Moscow's eyes. In italics are several other important rival communist organizations, often pro-Beijing, that are not recognized by Moscow.

[b]Drawn from US Central Intelligence Agency, *The World Factbook 1989*, CPAS WF 89-001, Washington, DC, US Government Printing Office, May 1989, unless otherwise noted.

[c]The individual listed is the most important party leader—the first secretary, secretary general, or general secretary—unless otherwise noted in parentheses.

[d]An em dash indicates that the communist party was legal and presumably participated in the election but the percentage of the vote received is not known. Where the party did not participate, the year of the most recent election (where the legislature still sits) is given in parentheses.

[e]In December, the PRPB denounced Marxism-Leninism. See Cotonou Domestic Service, Dec. 7, 1989, in Foreign Broadcast Information Service, *Daily Report: Sub-Saharan Africa* (Washington, DC), Dec. 8, 1989, pp. 11–12.

[f]See *World Marxist Review* (Toronto), November 1987, p. 95. This account ignores a previously mentioned November 1984 congress of the CPL (see, for example, *African Communist* [London], 3rd Quarter 1985).

[g]Although individual party members are allowed to operate legally, the party itself is illegal and did not participate in the 1985 elections.

[h]Arthur S. Banks, Ed., *Political Handbook of the World 1988*, Binghamton, NY, CSA Publications, 1989, p. 445.

[i]This is described as a group of students, teachers, and government employees that broke with the PIT in 1974. See Alexander Subbotin, Ed., *First-Hand Information: Communists and Revolutionary Democrats of the World Presenting Their Parties*, Prague, Peace and Socialism International Publishers, 1988.

[j]The party was illegal after June 30, 1989.

[k]These included two elected from territorial constituencies and three elected by graduates of universities and technical schools.

[l]Elections to the 30 seats formerly reserved for the white population increased the representation of ZANU–PF in the 100-member legislature from 64 to 77.

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The Americas[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
7. Argentina	31,914,473	80,000 claimed	Athos Fava (to April) Patricio Echegaray (Fava now Chair.)	16th, Nov. 4–7, 1986	L	5.3 (1987); none (in Broad Front coal.
8. Bolivia	6,558,601	500 claimed	Humberto Ramirez (majority faction) Carlos Soria Galvarro (minority)	5th, Feb. 9–13, 1985; Extraordinary, Apr. 26–29, 1986	L	7.28 (1989); in United Left coal., winning 12 of 130
9. Brazil	150,750,232	130,000 claimed	Salomão Malina (Chairman)	8th (called Natl. Meeting of Communists), July 17–20, 1987	L	— (1986); 2 of 487
10. Canada	26,310,836	3,000 est.	George Hewison (Gen. Secretary)	27th, May 20–24, 1988	L	.09 (1988); none
11. Chile	12,827,411	20,000 est.	Luís Corvalán Lepe (in exile, to May) Volodia Teitelboim	15th, May 5–12, 1989	O	6 (1989); none via Broad Party of Soc. Left
12. Colombia	31,945,165	18,000 est. (incl. youth org.)	Gilberto Vieira White	15th, Dec. 12–15, 1988	L	1.4 (1986); 9 of 199, Patriotic Union
13. Costa Rica (PVP)	2,953,908	7,500 est. (for all leftist parties)	Humberto Vargas Carbonell	16th, Sept. 15–18, 1988	L	0.8 (1986); 1 of 57, Popular Alliance
(PPC)		No data	Lenin Chacón Vargas	15th, Aug. 23–24, 1987	L	— (1986); 1 of 57, United People's coalition
14. Cuba	10,450,360	600,000 est.	Fidel Castro Ruz	3rd, Feb. 4–7, and Nov. 30–Dec. 2, 1986	R	— (1986), all 499 PCC approved
15. Dominican Republic	7,106,114	750 est.	Narciso Isa Conde	4th, Mar. 16–19, 1989	L	0.3 (1986); none
16. Ecuador	10,262,271	600 est.	René Maugé Mosquera	11th, July 21–23, 1988	L	3.6 (1988); 2 of 71, Broad Leftist Front (FADI)
PCE-ML		*600 est.*	*Jaime Hurtado Gonzalez, (Nat. Director, MPD)*			*Participates as MPD, which won 2 seats*
17. El Salvador	5,124,931	1,000 est.	Jorge Shafik Handal	7th, Apr. 1979	O	(1988)
I. Grenada (MBPM)	84,480	No current data	Terrence Marryshow (Chairman)	2nd, May 1988	L	5.0 (1984); none
18. Guadeloupe	341,430	3,000 est.	Christian Céleste	9th, Mar. 12–13, 1988	L	— (1988); 22 of 42, to left coalition (10 to PCG)
19. Guatemala (PGT)	9,116,877	250 est.	Carlos González Orellana[m]	4th, Dec. 1969	O	(1985)
20. Guyana (PPP)	765,461	200 est.	Cheddi Jagan	23rd, July 30–Aug. 1, 1988	L	16.8 (1985); 8 of 53 elected members
21. Haiti (PUCH)	6,322,198	350 est.	René Théodore	1st, 1979	L	(1988); boycotted
22. Honduras	5,103,772	100 est.[n]	Rigoberto Padilla Rush (in exile)[o]	4th, Jan. 1986 (clandestine)	O	(1985)
23. Jamaica (WPJ)	2,484,957	100 est.	Trevor Munroe	4th, Sept. 11–13, 1988	L	— (1983); boycotted
(JCP)		No current data	Christopher Lawrence	N.a.	L	(1983)
24. Martinique	331,511	1,000 est.	Armand Nicolas	9th, Dec. 12–13, 1987	L	— (1988); 2 of 45
25. Mexico (PMS)[p]	86,336,019	90,000 claimed	Gilberto Rincón Gallardo	1st, Nov. 25–29, 1987		— (1988) presidential election)

[m]González leads the "Camarilla" faction; Daniel Rios leads the National Leadership Nucleus Faction of armed revolutionary dissidents.
[n]The Honduran CP is one of six organizations in the Honduran Revolutionary Movement, formed in 1982.
[o]Although Padilla, in exile, claims to be the leader, there is strong evidence that Mario Sosa Novarro is really in charge within the country.
[p]The PMS formally ceased to exist on May 14, 1989, when it merged into the new Party of Democratic Revolution, headed by Cuauhtémoc Cárdenas.

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The Americas[a] (cont.)	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
26. Nicaragua (PSN)	3,519,620	1,400 est.	Gustavo Tablada	10th, Oct. 1973	L	1.3 (1984); 2 of 96
(PCN)		1,600	Eli Altamirano Perez	2nd, June 1986	L	2.0 (1984); 2 of 96
J. (FSLN)		5,500 est.	Daniel Ortega (*Coordinator*) Exec. Committee	FSLN Assemb., Feb. 18 and Sept. 24, 1989	R	63.0 (1984); 61 of 96
27. Panama (PdP)	2,373,053	25,600 claimed	Rubén Dario Souza	8th, Jan 24–26, 1986	L	2.0 (1984); none
28. Paraguay	4,522,172	4,000 est.	Júlio Rojas (acting)[q]	3rd, Apr. 10, 1971	O	(1988)
29. Peru	21,448,501	4,000 est.	*Jorge del Prado Chavez*	9th, May 27–30, 1987	L	26.0 (1985); 48 of 180 to Unit. Left coal. (6 PCP)
Sendero Luminoso		*No current data*	*Abimael Guzmán;*		O	*(1985)*
30. Puerto Rico	3,300,707	100 est.	Frank Irrizarry	4th, 1954	L	(1988); (no cand.)
31. United States of America	248,231,030	20,000 claimed	Gus Hall	24th, Aug. 13–16, 1987	L	(1988); (no cand.)
32. Uruguay	2,988,813	11,000 claimed	Jaime Perez Gerschuni	21st, Dec. 7–11, 1988	L	6.0 (1984); none to Frente Amplio
33. Venezuela	18,775,780	4,000 est.	Alonso Ojeda Olaechea	7th, Oct. 24–27, 1985	L	2.0 (1988); 1 of 201

Asia and the Pacific[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
34. Australia (CPA)	16,451,955	1,000 est.	Judy Mundey (President)	30th, Special, Dec. 2–3, 1989[r]	L	0.3 (1987); none
(SPA)		500 est.	Peter Dudley Symon	6th, Oct. 3, 1988	L	negl. (1987); none
35. Bangladesh	114,718,395	9,911 claimed	Saifuden Ahmed Manik	4th, Apr. 7–11, 1987	L	(1988); boycotted
36. Burma	40,451,732	3,000 claimed	Thakin Ba Thein Tin (Chairman)	3rd, Sept. 9–Oct. 2, 1985	O	(1985)
37. Cambodia (KPRP)	6,838,033	10,000 claimed	Heng Samrin	5th, Oct. 13–16, 1985[s]	R	99.0 (1981); all 117
(PDK or KCP)		*No current data*	*Pol Pot*	*3rd, Dec. 14, 1975*	O	*N.a.*
38. China	1,112,298,677	48,000,000 claimed	Zhao Ziyang (to June 24, 1989) Jiang Zemin	13th, Oct. 25–Nov. 1, 1987	R	— (1987); all 3,202 CCP approved
39. India (CPI)	833,421,982	467,539 claimed	C. Rajeswara Rao	14th, Mar. 6–12, 1989	L	— (1989); 12 of 545
(CPM)		450,000 claimed	E.M.S. Namboodiripad	13th, Dec. 26–31, 1988	L	— (1989); 32 of 545
(UCPI)		Negligible	Mohit Sen (Sec. Gen) S. A. Dange (Chair.)	Natl. Conf., May 29, 1989	L	Negl. (1989); none
40. Indonesia	184,651,163	1,500 est. (+ ca. 200 exiles)	Jusuf Adjitorop (pro-Beijing) Thomas Sinuraya (pro-Moscow)	7th Extraord., April 1962	O	(1987)
41. Japan	123,220,129	470,000 est.	Hiromu Murakami (Ch., Pres. to June) Tetsuzo Fuwa (Ch., Presidium) Kenji Miyamoto (Chair. of CC)	18th, Nov. 26–28, 1987	L	8.8 (1989); 27 of 512

[q]Secretary General Antonio Maidana Palacios has been in prison since 1980.
[r]At its December 1989 Congress, the CPA voted to dissolve itself and create a New Left Party.
[s]The KPRP held a national confernece of cadres on April 5–12, 1989.

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Asia and the Pacific[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
42. Korea, North (KWP)	22,521,223	3,000,000 claimed	Kim Il-song	6th, Oct. 10–15, 1980	R	100 (1986); all 706 KWP approved
K. Korea, South (NDFSK)	43,347,231	No current data	Unknown	Founding plenum, July 1985	O	(1988)
43. Laos (LPRP)	3,935,786	40,000 claimed	Kaysone Phomvihane	4th, Nov. 13–15, 1986	R	— (1989); 65 of 79
44. Malaysia (CPM)[t]	16,726,766	1,600 est.	Chin Peng	Last known, in 1965	L	(1984)
(MCP)		*800 est.*	*Ah Leng*	*Unknown*	*O*	*(1984)*
45. Mongolia (MPRP)	2,145,463	89,312 claimed	Jambyn Batmonh	19th, May 28–31, 1986	R	93.5 (1986); 346 of 370 MPRP apprvd.
46. Nepal	18,699,884	10,000 est.[u]	Man Mohan Adhikary	3rd (pre-split),[v] 1961	O	N.a.
47. New Zealand (CPNZ)	3,372,763[w]	100 est.	Harold Crook	23rd, Apr. 22, 1984	L	— (1987); none
(SUP)		300 est.	George H. Jackson (President)	8th, Oct. 22–24, 1988	L	— (1987); none
48. Pakistan	110,407,376	Less than 200 est.	Ali Nazish	3rd, May 25–27, 1989	L[x]	(1988)
49. Philippines (PCP)	64,906,990	5,000 est.	Felicismo Macapagal (Chairman)	9th, Dec. 1986	L	(1987)
(CPP/NPA)		*30,000 est.*	*Rafael Baylosis (Gen. Secretary)* *Benito Tiamzon (Acting Chairman)*	*Founding/Reest., Dec. 26, 1968— Jan. 7, 1969*	*O*	*(1987); boycotted (participated via Bayan Party)*
50. Sri Lanka	16,881,130	5,000 est.	Kattorge P. Silva	Extraord. Cong., Dec. 9–11,1989	L	2 9 (1989); 3 of 225 as part of Unit. Soc. Alliance
51. Thailand	55,524,352	375 est.	Thong Jaensri (?)	4th, March–Apr.1984 (cland.)	O	(1988)
52. Vietnam	66,820,544	2,195,824 claimed	Nguyen Van Linh	6th, Dec. 15–18, 1986	R	98.8 (1987); 496 of 614; all 614 VCP endorsed

Eastern Europe and the USSR[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
53. Albania (PPSh)	3,208,033	147,000 claimed	Ramiz Alia	9th, Nov. 3–8, 1986	R	100 (1987); all 250 Democratic Front
54. Bulgaria	8,985,800	984,000 claimed	Todor Zhivkov (to Nov. 10, 1989) Petûr Mladenov	13th, Apr. 2–5, 1986	R	99.9 (1986); all 400 Fatherland Front
55. Czechoslovakia	15.658,079	400,000 claimed	Miloš Jakeš (to Nov. 24) Karel Urbanek (to Dec. 22) Ladislav Adamec (Chairman)	Extraord., Dec. 20–21, 1989	L	99.94 (1986); all 350 National Front

[t]Dissolved December 2, 1989, and reemerged as Malayan People's Party (CPM included 300 members in Singapore).
[u]Three-quarters of this number are estimated to be pro-Beijing or neutral in relations with communist movements abroad.
[v]The right wing of the party held its own congress in 1968.
[w]New Zealand Department of Statistics.
[x]The CPP became legal in March. See *The Muslim* (Islamabad), Mar. 13, 1989, translated in Foreign Broadcast Information Service, *Daily Report: Near East and South Asia* (Washington, DC), Mar. 23, 1989, p. 57.

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Eastern Europe and the USSR[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
56. Germany (East) (SED)[y]	16,586,490	Ca. 1,000,000 cl.	Erich Honecker (to Nov. 18) Egon Krenz (to Dec. 5) Gregor Gysi	Extraord., Dec. 8–10, 16–17, 1989	L	99.94 (1986); all 500 National Front
57. Hungary (MSzMP)	10,566,944	82,000 claimed	Károly Grósz to Oct. 7) Gyula Thurmer	14th, Dec. 14, 1989	L	98.9 (1985); all 352 Pat. Peop. Front
(MSzP)		50,000 claimed	Rezső Nyers	Founding/14th Oct. 6–10, 1989	L	N.a.
58. Poland (PZPR)[z]	38,169,800	1,000,000 est.	Wojciech Jaruzelski (to July 29) Mieczysław Rakowski	10th, June 29–July 3, 1986	L	— (1989); 173 of 559
59. Romania[aa]	23,153,475	3,813,000 claimed	Nicolae Ceauşescu (to Dec. 22)	14th, Nov. 20–24, 1989	R	97.8 (1984); all 369 Front of Socialist Dem. and Unity
60. USSR	288,742,342	19,467,822 claimed	Mikhail Gorbachev	27th, Feb. 25–Mar. 6, 1986	R	— (1989); 1,971 of 2250
61. Yugoslavia (SKJ)	23,724,919	1,868,000 claimed	Stipe Suvar (Pres., Presid. to June) Milan Pancevski (Pres., Presidium)	13th, June 25–28, 1986	R	— (1986); all 308 Soc. All. approved

Middle East and North Africa[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
L. Afghanistan (PDPA)	14,825,013	200,000 claimed	Mohammed Najibullah	2nd Natl. Conf., Oct. 18–19, 1987	R	22.6 (1988) 42 of 184 elected so far[bb]
62. Algeria (PAGS)[cc]	24,946,073	No data	Sadiq Hadjeres	6th, Feb.1952	L[dd]	(1982)
M. Bahrain (NLF/B)	496,759	Negligible	Saif ben Ali	Unknown	O	n/a
63. Egypt	54,777,615	500 est.	Farid Mujahid (?)	2nd, Sept. 1984	O	(1984)
64. Iran (Tudeh party)	53,866,523	1,500 est.	Ali Khavari (in exile)	Natl. Conf. (in exile), 1986	O	(1988)
65. Iraq	18,073,969	No current data	Aziz Muhammad	4th, Nov. 10–15, 1985	O	(1989)
66. Israel	4,371,478[ee]	2,000 est.	Meir Vilner	20th, Dec. 4–7, 1985	L	3.7 (1988); 4 of 120
67. Jordan	2,955,560	No current data	Dr. Ya'qub Zayadin	2nd, Dec. 1983	L[ff]	— (1989); 1 of 80 via Pop. Front
68. Lebanon (LCP)	3,300,802	2,500 est.	George Hawi	5th, Feb. 3–5, 1987	L	(1972)
(OCAL)		1,500 est.	Muhsin Ibrahim	1st, 1971	L	(1972)

[y]On December 18, 1989, the party became the Socialist Unity Party of Germany-Party of Democratic Socialism (SED-PDS).

[z]A new party, Social Democracy of the Polish Republic (SDRP), held its founding congress on Jan. 29, 1990, electing Aleksander Kwasniewski as its head; a Union of Social Democracy of the Republic of Poland split from the SDRP at this time.

[aa]The Romanian Communist Party disintegrated in December 1989, and was dissolved in January 1990. Foreign Broadcast Information Service, *Daily Report: East Europe* (Washington, DC), Jan. 16, 1990, p. 90. The Provisional Government of Romania is the National Salvation Front under the leadership of Ion Iliescu.

[bb]A loose grouping of the PDPA and various small parties, including non-communist parties, won a total of 38 percent of the vote and 69 seats. Some 50 seats were held vacant for the "opposition." Elections were not held in some districts due to combat conditions.

[cc]The pro-Moscow PAGS is mentioned as leading an "unrecognized" existence in Subbotin, op. cit., pp. 135–36; the party was not mentioned in the Algeria section of V. V. Zagladin and G. A. Kiselev, Eds., *Politicheskiye partii: spravochnik* (Political Parties: A Handbook), Moscow, Izdatel'stvo Politicheskoy Literatury, 1986, p. 219.

[dd]PAGS was legalized on September 12, 1989.

[ee]Excludes the population of East Jerusalem and the West Bank.

[ff]Prior to October 1989, the party was illegal.

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Middle East and North Africa[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
69. Morocco (PPS)	25,605,579	4,500 est.[gg]	'Ali Yata	4th, July 17–19, 1987	L	2.3 (1984); 2 of 306
N. Oman (PFLO)	1,304,882	No current data	Unknown	3rd, 1982	O	N.a.
70. Palestine	4,500,000[hh]	No current data	Bashir al-Barghuti (?)	1st, 1983	O	n/a
71. Saudi Arabia	16,108,539	Negligible	Mahdi Habib	3rd, Aug.1989	O	n/a
72. Syria	12,010,564	5,000 est.	Khalid Bakhdash (to May) Yusuf Faysal	6th, July 1986	L	— (1986); 8 of 195
73. Tunisia	7,916,104	2,000 est.	Muhammad Harmel	10th, June 1989	L	(1986); boycotted
M. Yemen, Aden (YSP)	2,503,641	31,000 cl., includ. cand. membs.	'Ali Salim al-Bayd	4th, June 20–21, 1987	R	— (1986); all 111 YSP approved

Western Europe[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	Percent of vote last elect. (date); seats in legis.[d]
74. Austria	7,584,766	15,000 est.	Franz Muhri (Chairman)	26th, Mar. 25–28, 1987	L	0.72 (1986); none
75. Belgium (UFC)[ii]	9,887,998	5,000 est.	Louis van Geyt (President)	26th, Mar. 18–19, 1989	L	0.8 (1987); none
76. Cyprus (AKEL)	700,009	15,000 claimed	Dimitris Christofias	Extraordinary, Dec. 20, 1987	L	27.4 (1985); 15 of 56
77. Denmark	5,129,659	7,400 est.	Ole Sohn (Chairman)	28th, Apr. 16–19, 1987	L	0.8 (1988); none
78. Finland (SKP)	4,963,359	20,000 claimed	Heljä Tammisola (General Secretary) Jarmo Wahlström (Chairman)	21st, June 12–15, 1987	L	9.4 (1987); 16 of 200 to SKDL Front (11 to SKP)
(SKP-Y)		15,000 est.	Yrjo Häkanen (General Secretary) Jouko Kajanoja (Ch.)	1st, June 5–7, 1987	L	4.3 (1987); 4 of 200 via DEVA Front
KTP		*200 est.*	*Timo Lahdenmaeki (Chairman)* *Heikki Mannikko (General Secretary)*	*1st, June 17–18, 1989*	*L*	*n/a*
79. France	55,994,085	200,000 claimed	Georges Marchais	26th, Dec. 2–6, 1987	L	11.3 (1988); 25 of 577
80. Germany (West)	60,977,195[jj]	27,500 est.	Herbert Mies (Chairman)	9th, Jan. 6–9, 1989	L	0.5 (1987); none (via "Peace List")
81. Great Brit. (CPGB)	57,028,169	8,000 est.	Gordon McLennan (resigned at cong.)	41st, Nov. 25–28, 1989	L	0.1 (1987); none
(CPB)		No current data	Unknown	Founding, Apr. 23–24, 1988[kk]	L	N.a.
82. Greece (KKE)	10,041,414	50,000 est.	Grigoris Farakos (Secretary General) Kharilaos Florakis (Chairman)	12th, May 12–16, 1987	L	10.96 (Nov. 1989); 21 of 300 to Coal. of the Left and Progress, which included KKE and E.AR plus small KKE-Interior
(E.AR)		No current data	Leonidas Kyrkos	Founding Congress, Apr. 24–26, 1987[ll]	L	

[gg]The party claims a membership of 50,000.

[hh]Includes the population of East Jerusalem, Gaza, Jordan, and the West Bank.

[ii]The Federal Union of Communists (Union Fédérale des Communistes) unites the Flemish and Francophone parties at the highest administrative level. See *Drapeau Rouge* (Brussels), Feb. 20 and Mar. 7, 1989.

[jj]Excluding West Berlin.

[kk]Subbotin, op. cit., p. 58. The source notes: "The CPGB characterises this as a split and splinter sectarian group, while the CPB described it as the reestablishment of the Communist Party."

[ll]The E.AR is the most significant successor to the KKE-Interior (KKE-I), which split at its April 1987 congress; the smaller faction is the KKE Renovating Left of Giannis Banias.

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Western Europe[a]	Mid-1989 population[b]	Party membership	Party leader[c]	Last congress	Legal status	last elect. (date); seats in legis.[d]
83. Iceland (AB)	248,501	3,000 est.	Olafur Ragnar Grimsson (Chair.)	Biennial Cong., Nov. 16–20, 1989	L	13.2 (1987); 8 of 63
84. Ireland	3,550,352	500 est.	James Stewart	20th, Oct. 28–29, 1989	L	— (1989); none
85. Italy	57,557,767	800,000 claimed	Achille Occhetto	18th, Mar. 17–22, 1989	L	26.6 (1987); 177 of 630
86. Luxembourg	366,329	600 est.	René Urbany (Chairman)	25th, Apr. 23–24, 1988	L	3.6 (1989); 1 of 64
87. Malta	351,307[mm]	300 est.	Anthony Vassallo	4th, July 15–17,1988	L	0.08 (1987); none
88. Netherlands	14,790,125	4,000 est.	Elli Izeboud (Chairman)	31st, Apr. 8–11, 1989	L	4.1 (1989); 6 of 450 (with Green Left)
89. Norway (NKP)	4,202,502	1,750 est.	Kaare Andre Nilsen (Chairman)	19th, Apr. 23–26, 1987	L	0.84 (1989); none (with AKP)
(AKP)		*6,000 est.*	*Siri Jensen (Chairman)*	*5th, Dec. 1988 (cland.)*	*L*	*— (1989); none (with NKP)*
90. Portugal	10,459,701	199,275 claimed	Álvaro Cunhal	12th, Dec. 1–4, 1988	L	11 (1987); 30 of 250 to Unit. Dem. coalition (25 to PCP)
91. San Marino	22,980	1,200 claimed	Gilberto Ghiotti	11th, Jan 27, 1986	L	28.71 (1988); 18 of 60
92. Spain (PCE)	39,417,220	83,000 claimed	Julio Anguita Gonzalez	12th, Feb. 19–21, 1988	L	9.05 (1989); 18 of 350 Unit. Left coal[nn]
(PCPE)		16,500 est.	Juan Ramos Camarero	3rd, Extraord., March 1989	L	4.6 (1986); 18 of 350 Unit. Left coal.[nn]
(PTE-UC)		*14,000 est.*	*Adolfo Pinedo (General Secretary) Santiago Carrillo (Chairman)*	*1st, Feb. 8, 1987*	*L*	*— (1989); none*
93. Sweden (VPK)	8,401,098	17,800 claimed	Lars Werner (Chairman)	28th, May 23–25, 1987	L	5.8 (1988); 21 of 349
(APK)		5,000 claimed	Rolf Hagel (Chairman)	29th, May 4–6, 1989	L	— (1988); none
94. Switzerland (PdA)	6,611,019	4,500 est.	Jean Spielman	13th, Feb. 27–Mar. 1, 1987	L	0.8 (1987); 1 of 200
95. Turkey (UCPT)	55,355,831	Negligible	Haydar Kutlu (General Secretary) Nihat Sargin (Chairman)	1st, Oct. 12–13, 1988	O	N.a.
96. West Berlin (SEW)	1,869,000	7,000 claimed	Horst Schmitt (d. April 1989) Dietmar Ahrens (Chairman)	8th, May 15–17, 1987	L	0.6 (1989); none

[mm]Malta Office of Statistics.
[nn]The vote and seat figures are combined totals for the two parties that participated in the elections through the United Left coalition.

elected 18 deputies. In Greece, the KKE, operating (with the Greek Left) within a Coalition of the Left and Progress, increased its deputies from 13 to 21 (out of a total of 28 for the coalition). The coalition eventually gave its support to the conservative New Democracy Party to form a government majority. However, in special national elections in November, the coalition saw its percentage of the vote drop from 13.1 to 10.8, and it lost seven of its seats. At year's end an "all-party" coalition government formed. The Communist Party of India (Marxist) increased its representation from 22 to 32, and the Communist Party of India increased its from 6 to 12. In Jordan, the party, although not legalized until October, won a single seat, running under a popular front umbrella. In Uruguay, the communist party is the leading force in the Broad Front, which ran a strong third in the presidential contest and won control of the capital, Montevideo. In Sri Lanka, the Communists gained a full

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LEGEND OF ACRONYMS

AB	People's Alliance (Iceland)
AKEL	Progressive Party of the Working People (Cyprus)
AKFM	Congress Party for Malagasy Independence (Madagascar)
AKP	Workers' Communist Party (Norway)
APK	Communist Workers' Party (Sweden)
CPA	Communist Party of Australia
CPB	Communist Party of Britain
CPGB	Communist Party of Great Britain
CPI	Communist Party of India
CPM	Communist Party of Malaya
CPM	Communist Party (Marxist) of India
CPNZ	Communist Party of New Zealand
CPP/NPA	Communist Party of the Philippines/New People's Army
E.AR	Greek Left
FSLN	Sandinista Front for National Liberation (Nicaragua)
FRELIMO	Front for the Liberation of Mozambique
JCP	Jamaican Communist Party
KKE	Greek Communist Party
KPRP	Kampuchean People's Revolutionary Party
KTP	Communist Workers' Party (Finland)
KWP	Korean Workers' Party
LCP	Lebanese Communist Party
LD–MPT	Democratic League–Movement for the Party of Labor (Senegal)
LPRP	Lao People's Revolutionary Party
MBPM	Maurice Bishop Patriotic Movement (Grenada)
MCP	Malaysian Communist Party
MPLA–PT	Popular Movement for the Liberation of Angola–Party of Labor
MPRP	Mongolian People's Revolutionary Party
MSzP	Hungarian Socialist Party
MSzMP	Hungarian Socialist Workers' Party
NCPB	New Communist Party of Britain
NDFSK	National Democratic Front of South Korea
NKP	Norwegian Communist Party
NLF/B	National Liberation Front/Bahrain
OCAL	Organization of Communist Action of Lebanon
PAGS	Socialist Vanguard Party (Algeria)
PCE	Communist Party of Spain
PCE–ML	Communist Party of Ecuador–Marxist-Leninist
PCN	Nicaraguan Communist Party
PCP	Philippine Communist Party
PCPE	Communist Party of the Peoples of Spain
PCT	Congolese Labor Party
PdA	Party of Labor (Switzerland)
PDK	Party of Democracy of Kampuchea (former Khmer Rouge, also known as the Kampuchean Communist Party—KCP)
PdP	People's Party (Panama)
PDPA	People's Democratic Party of Afghanistan
PFLO	People's Front for the Liberation of Oman
PGT	Guatemalan Party of Labor
PIT	Independence and Labor Party (Senegal)
PMS	Mexican Socialist Party
PPC	Costa Rican People's Party
PPP	People's Progressive Party (Guyana)
PPS	Party of Progress and Socialism (Morocco)
PPSh	Albanian Party of Labor
PRPB	People's Revolutionary Party of Benin
PSN	Socialist Party of Nicaragua
PTE-UC	Workers' Party of Spain–Communist Unity
PUCH	Unified Party of Haitian Communists
PVP	Popular Vanguard Party (Costa Rica)
PZPR	Polish United Workers' Party
SED	Socialist Unity Party (East Germany)
SEW	Socialist Unity Party of West Berlin
SKJ	League of Communists of Yugoslavia
SKP	Finnish Communist Party
SKP–Y	Finnish Communist Party–Unity
SPA	Socialist Party of Australia
SUP	Socialist Unity Party (New Zealand)
SWPP	Socialist Working People's Party (Nigeria)
UFC	Federal Union of Communists (Belgian)
UCPI	United Communist Party of India
UCPT	United Communist Party of Turkey
UND	National Democratic Union (Chad)
VPK	Left Party Communists (Sweden)
WPE	Workers' Party of Ethiopia
WPJ	Workers' Party of Jamaica
YSP	Yemen Socialist Party
ZANU-PF	Zimbabwe African National Union-Patriotic Front

percentage point in the vote and two additional deputies. In Bolivia and Japan, communist parties retained their 4 and 27 deputies respectively. In Laos, 14 of 79 seats were won by individuals who are not members of the ruling Lao People's Revolutionary Party, and in Luxembourg, the communist party lost one seat. In Argentina, Ireland, Norway, and West Berlin, the communist parties failed to elect any deputies.

For a more comprehensive discussion of communist developments by region and for further information on specific parties, the reader is referred to the forthcoming *1990 YICA*.

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Books

East Germany's Disappearing Future

Jeffrey Gedmin

DAVID CHILDS, THOMAS BAYLIS, and MARILYN RUESCHEMEYER, Eds. *East Germany in Comparative Perspective.* London and New York, Routledge, 1989.

MARILYN RUESCHEMEYER and CHRISTINE LEMKE, Eds. *The Quality of Life in the German Democratic Republic.* Armonk, NY, M. E. Sharpe, Inc., 1989.

IAN JEFFRIES and MANFRED MELZER, Eds. *The East German Economy.* London, Croom Helm, 1987.

GERT-JOACHIM GLAESSNER, Ed. *Die DDR in der Ära Honecker* (The GDR in the Honecker Era). West Berlin, Westdeutscher Verlag, 1988.

F. STEPHEN LARRABEE, Ed. *The Two German States and European Security.* New York, St. Martin's Press, 1989.

DURING the 18-year rule of Erich Honecker as general secretary of the Socialist Unity Party of Germany (Sozialistische Einheitspartei Deutschlands—SED) from 1971 to 1989, the German Democratic Republic managed to capture at least a measure of the international legitimacy that had eluded it since its founding in 1949. Yet, as the GDR prepared to celebrate its 40th anniversary on October 7, 1989, the SED faced a grave crisis of legitimacy at home. The problems confronting the SED included the departure of hundreds of thousands of GDR citizens to the West; civil unrest, with demonstrations in support of democratization erupting in cities throughout the country; the emergence of reform factions within the SED; and diminished support from a reform-minded Soviet leadership led by Mikhail Gorbachev.

Overwhelmed by these challenges, the 77-year-old Honecker was forced to resign on October 18. During the next three weeks, new General Secretary Egon Krenz engaged in a sweeping purge of the government and party apparatus in what appeared to be a frantic effort to restore social and political stability to the country.[1]

Such maneuvers did little, however, to placate rapidly growing popular unrest, and on November 9 came the stunning announcement by the party's Central Committee that East Germany's borders with West Germany would be permanently opened, effective immediately. In what would be perhaps one of modern history's more remarkable ironies, the SED, which built a wall in 1961 to keep its people in, would take the wall down some 28 years later in a desperate attempt to achieve the same objective.

Following the tumultuous autumn of 1989, the East German communist party[2] was forced to enter a

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[1]On December 3, 1989, Egon Krenz resigned, another victim of the GDR's pro-democracy movement. The emergency SED congress, convened the weekend of December 8, appointed the 41-year-old lawyer Gregor Gysi to lead the SED as the party began preparation for elections. Elections were first scheduled for May 6, but were then moved up to March 18, when growing economic problems and continued unrest called into question the viability of the interim coalition government with opposition parties. See *Süddeutsche Zeitung* (Munich), Jan. 27–28, 1990.

[2]The SED was renamed the Socialist Unity Party of Germany-Party of Democratic Socialism (Sozialistische Einheitspartei Deutschlands-Partei des Demokratischen Sozialismus—SED-PDS) on December 16, 1989, and then again renamed simply the Party of Democratic Socialism (PDS) on February 4, 1990.

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new, hitherto unknown world of compromise, coalition, and competition. And as the March 18, 1990, elections would show, though managing to secure 16 percent of the popular vote,[3] it was unable to convince the majority of East German voters that its political transformation had been legitimate.

The works under review examine East Germany's domestic and foreign policies before the GDR embarked on its uncharted course of reform and reunification with West Germany. Not surprisingly, a number of their underlying assumptions have been severely undermined by the breathtaking events of recent months—for example, that the German question is "no longer one of reunification, but [a question of] the character of the relationship between the two German states . . ." (John Edwin Mroz, in Larrabee, p. xvi). Nevertheless, these volumes offer numerous useful points of orientation for a discussion of the GDR's political and economic problems and prospects.

The volume edited by David Childs, Thomas Baylis, and Marilyn Rueschemeyer and that edited by Rueschemeyer and Christine Lemke examine social institutions and social policy in the GDR. The former features a comparative approach; the latter contains articles that stress empirical analysis of such topics as gender roles, the education system, the environment, and leisure time. Although both books touch on economic problems, the volume compiled by Ian Jeffries and Manfred Melzer concentrates exclusively on the East German economy and the problems of reform. The work edited by Gert-Joachim Glaessner is an impressive collection of studies that examine major aspects of both domestic and foreign policy during the Honecker era. And finally, the book edited by F. Stephen Larrabee rounds off this array of works, focusing on the foreign-policy dimensions of East-West German relations.

IN ITS frantic quest for legitimacy this past year, the SED in its new guise as the PDS faced pressure on two fronts: first, externally from the Federal Republic; and second, from the country's nascent internal opposition.[4] Despite West Germany's de facto recognition of the GDR, which East Berlin obtained as a result of the Basic Treaty (*Grundlagenvertrag*) signed in 1972 by the two German states, the Federal Republic has continued to pursue its policy of "one German nation." Specifically, as David Childs points out, even after two decades of rapprochement with the GDR's communist regime, Bonn never came to "regard the GDR as a foreign state nor . . . its citizens as foreigners" (in Childs, Baylis, and Rueschemeyer, p. 1). Thus, the tens of thousands of GDR citizens who began to stream across Hungary's open border with Austria last summer on their way to the Federal Republic were well aware of the friendly welcome accorded them under West German law.

West German claims to represent Germans in the GDR are based above all on the Basic Law (*Grundgesetz*)—the de facto constitution of the Federal Republic—which was adopted on May 23, 1949. The Basic Law formally enshrines the concept of German unity. The framers of this document took care to stress in the preamble that they spoke for all Germans, including "those . . . to whom participation was denied" and noted in the last article that the document "shall cease to be in effect on the day on which a constitution adopted by a free decision of the German people comes into force."[5] In accordance with this legal position, GDR citizens have been automatically entitled to West German citizenship as well as to an extensive benefits package designed to expedite resettlement in the West.[6]

The issue of actual German unification had lost much of its salience as an operational goal of West German politics over the last two decades, but as a result of the dramatic changes in East Germany since October 1989, the "German question" had quickly reemerged as the central issue of foreign policy platforms for all West German political parties by the end of the year.[7]

[3]Even the 16 percent attained by the PDS caught many observers by surprise. Between October 1989 and March 1990, communist party membership had plummeted from 2.3 million to 650,000. Popular anti-communist sentiment was reflected by employment notices that had begun to appear in shop windows by Christmas time, declaring that "SED members need not apply." *The New York Times*, Dec. 15, 1989.

[4]For an exposition of the GDR's legitimacy deficit in the past, see Angela Stent, "East German Quest for Legitimacy," *Problems of Communism* (Washington, DC), March-April 1986, pp. 79–85. For an examination of East Germany's grass-roots opposition prior to the events of autumn 1989, see Vladimir Tismaneanu, "Nascent Civil Society in the GDR," ibid., March-June 1989, pp. 90–111. For a discussion of the role played by GDR churches in East Germany's dissident and opposition movement, see Robert F. Goeckel, "Church and Society in the GDR" (in Rueschemeyer and Lemke, pp. 210–27); and Reinhard Henkys, "Theses on the Change of the Social and Political Role of the Churches in the GDR in the 1970's and 1980's" (in Glaessner, pp. 332–53).

[5]"Basic Law," in Peter H. Merkl, *The Origin of the West German Republic*, New York, Oxford University Press, 1963, pp. 213, 248.

[6]In the aftermath of East Germany's first free election, the Bonn government announced on March 20 that it would put an end to most special benefits for East German resettlers on July 1, 1990 (*The New York Times*, Mar. 21, 1990). The decision reflected an attempt by West Germany to stem the flow of refugees from the East, which, by the end of March, continued unabated at a rate of more than 2,000 a day.

[7]See Gebhard Schweigler's chapter in Larrabee (pp. 73–105) for a detailed discussion of the German question and political parties in the Federal Republic.

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Chancellor Helmut Kohl's proposal for a German confederation—designed as a step-by-step path toward unity and unveiled before the Bundestag on November 28—was above all an initial step to define the position of his party, the Christian Democratic Union (Christlich-Demokratische Union—CDU), on this issue, but it also attempted to set the political agenda on reunification for all other political parties.[8]

Communist power in the GDR had all but disintegrated by the beginning of 1990, and the PDS, succumbing to the wave of pro-unity sentiment in East Germany, was forced to revise its own long-standing position on the German question and endorse unification. The framers of East Germany's first constitution (and it was called a constitution), like the framers of the Federal Republic's Basic Law, chose to stress unity, maintaining that "Germany is an indivisible Republic."[9] As Hermann Weber (in Glaessner, p. 2) notes, SED policy on the German question began to shift under Walter Ulbricht, when the communist party's general secretary conceded the existence of "two, independent German states" in 1967. The 1968 "Ulbricht Constitution" still included the goal of effecting "a rapprochement by steps between the two German states until there is a unification on the basis of democracy and socialism."[10]

But amendments to the constitution in 1974, coinciding with Erich Honecker's intensification of *Abgrenzung* (the stressing of ideological, cultural, and historical differences between the two German states), formally laid the German question to rest. The new constitution, in which all references to unification were deleted, explicitly declared that the GDR was no longer "a socialist state of the German nation," but rather "a socialist state of workers and farmers."[11] When Prime Minister Hans Modrow finally embraced the concept of German unification in early February 1990,[12] he not only altered what had been a key component of East Berlin's inner-German policy for the last two decades, but in effect fatalistically signed his party's name to the GDR's death certificate—a step he undertook with the full blessing of his Soviet benefactors.

As the parties of the two German states scrambled to define their inner-German policy for election campaigns this year, what the Soviet Union's position on the new German question would be remained a source of great speculation and controversy. Will the Soviet Union permit a united Germany to remain within the NATO alliance (a stance favored by Warsaw-Pact allies Poland and Hungary), or will Moscow continue to advocate neutral status for a united Germany? As in so many other areas, a great deal of conventional wisdom regarding the Soviet Union's position on the German question—for example, Larrabee's assertion that Gorbachev would be unlikely to "espouse any radical schemes which would lead to a fundamental restructuring of alliances or reunification of the two German states" (in Larrabee, p. 21)—had become obsolete by the end of 1989. Whether David Childs's speculation that Gorbachev's Kremlin was perhaps prepared to discard the SED (and the GDR) as "superfluous," if Moscow and Bonn could "feel they trust each other enough and have enough in common" (p. 18) was correct, or whether the Soviet Union merely planned the installation of a reform communist regime in East Berlin as its final objective—a process that quickly exceeded the intended limits of "democratization"—one stunning point has become clear: unimaginable just a year ago, the Soviet Union today appears ready to allow German unification to take place, with few, if any, strings attached, all in the context of the GDR's peaceable transition to democracy.

This winter, once unification had become a forgone conclusion, it appeared that, if Gorbachev could play mid-wife to a unified, but *neutral* Germany, the Soviet president might shore up his support at home among Kremlin hard-liners, who had long been long transfixed by the prospect of decoupling the Federal Republic from NATO and radically diminishing the influence of the United States in Europe. But now, in light of Poland's anxiety regarding the security of its western border,[13] as well as reported Soviet

[8]The core of the CDU inner-German policy has consistently been to achieve "the unity of Germany in freedom." *Foreign Policy Platform. Christian Democratic Union. Federal Republic of Germany*, Wiesbaden, June 14, 1988, p. 7.

[9]As cited in *Zur Geschichte der DDR. Von Ulbricht zu Honecker* (On the History of the GDR. From Ulbricht to Honecker), Bonn, Friedrich Ebert Stiftung, 1986, p. 90.

[10]Ibid., p. 94.

[11]*Verfassung der Deutschen Demokratischen Republik* (The Constitution of the German Democratic Republic), 6th ed., Berlin, Staatsverlag der Deutschen Demokratischen Republik, 1976, p. 9.

[12]East Berlin ADN International Service in German, Feb. 1, 1990, translated in Foreign Broadcast Information Service, *Daily Report: East Europe* (Washington, DC—hereafter *FBIS-EEU*), Dec. 1, 1989, p. 7.

[13]In February, Chancellor Kohl, in contrast to the GDR government and to other political parties in the Federal Republic, resisted giving Poland an unambiguous guarantee on the inviolability of its western border at the so-called Oder-Neisse line. Mr. Kohl hedged on the issue, demanding that Polish officials guarantee the rights of the German minority in Poland. While Mr. Kohl finally agreed on March 6 to allow the two German parliaments to recognize existing borders on behalf of united Germany, the Chancellor's hesitation is likely to leave a lasting mark on Polish perceptions of Germany. See *Gazeta International* (Warsaw), Mar. 1 and 9, 1990.

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concerns that a neutral Germany might become a "loose cannon" in the middle of Europe, Soviet officials have begun to soften their position, indicating that indeed a unified Germany might belong to NATO.[14] Regardless of its alliance membership—an issue that remains to be settled through the so-called "two plus four" process—Germany's unification might serve Gorbachev well, if by overcoming this division in the heart of Europe, Moscow could gain unfettered access to West German capital and technology to finance the Kremlin's desperate drive to modernize the Soviet Union.

AT HOME, since the summer of 1989, the PDS has faced insurmountable odds in attempting to fend off the country's rapidly organizing opposition, while struggling to secure at least some measure of support from the GDR's populace before the March 18 elections. The GDR had boasted a multiparty system since its founding in 1949, but the challenge of a real opposition was decidedly new.[15] Communist party leaders began early in the fall to separate for purposes of dialogue "constructive" reformers from "destructive" oppositionists. The former camp appeared to include organizations such as "New Forum," whose leaders, at least initially shared the rhetoric of the reform wing of the SED. New Forum co-founder Rolf Henrich, himself a member of the SED until last spring, insisted for example that a reformed GDR would continue to be an independent "socialist country,"[16] while other leaders described their organization as a " 'working class party' . . . ready for cooperation with the SED comrades." If the SED wanted to bolster and co-opt such "reformist" groups and thus marginalize the impact of anti-system oppositionists, the strategy proved unsuccessful when left-wing opposition groups began to realize that affiliation with the country's discredited communist party spelled political doom.[17]

In another bid to attain a degree of legitimacy, the PDS tried to reach out to Marxist intellectuals, such as writers Stephan Heym and Christa Wolf, who, as "licensed rebels," (Childs, p. 14), had in the past proved useful to communist authorities who wanted to project their "flexibility" and "sensitivity" to dissenting views, without facing the risks of competition with a genuinely democratic opposition. But the days of simple co-optation had disappeared by late autumn 1989, and, with very few exceptions, the GDR's cultural luminaries have chosen to eschew association with the PDS.[18]

Attempts by East Germany's reformed communist party to secure a limited degree of legitimacy reached the point of desperation when the PDS began to wage a campaign this winter against an alleged threat to East German society posed by radical right-wing, neo-Nazi elements. To this end, the PDS even enlisted the help of the country's secret police to engage in acts of public vandalism for which unidentified "fascists" were blamed.[19]

As the PDS's mandate to lead East German society has vanished, so too has the myth of East Germany's distinct and separate socialist culture. For most of the GDR's history, the communist regime had regarded the formation of the "socialist man" as an "inseparable part of the socialist revolution" (Glaessner, in Rueschemeyer and Lemke, p. 80). Ironically, GDR social scientists had asserted in recent years that "socialist values" had "increased and . . . [had become] dominant among the youth" (Lemke, in Rueschemeyer and Lemke, p. 65). Yet the GDR's policy of *Abgrenzung* proved singularly unsuccessful, as recent events in the GDR have demonstrated.

Gebhard Schweigler observes that although over the years East and West Germans may have developed in certain cases different "attitudes," Western scholars never possessed any objective evidence that supported East Berlin's claim to have cultivated a separate national consciousness in the GDR (in Larrabee, p. 98). It was, for example, the very absence of a separate national identity in the GDR that allowed the increased inner-German

[14] *The New York Times*, Mar. 21, 1990.

[15] Four other political parties have previously played subservient roles: the Liberal Democratic Party of Germany (Liberal-Demokratische Partei Deutschlands—LDPD), the National Democratic Party of Germany (National-Demokratische Partei Deutschlands—NDPD), the Democratic Farmers' Party of Germany (Demokratische Bauern Partei Deutschlands—DBD), and the Christian Democratic Union (Christlich-Demokratische Union—CDU). In a bid to rid themselves of their tainted image after four decades of cooperation with the SED, the four so-called block parties have pledged that they would no longer work in coalition with the PDS after the March elections.

[16] *Der Morgen* (East Berlin), Oct. 28–29, 1989, trans. in *FBIS-EEU*, Nov. 3, 1989, p. 33.

[17] New Forum co-founder Bärbel Bohley has sharply attacked communist party attempts to co-opt dissidents. "I am personally insulted and shocked," she told an Austrian interviewer in November, when "[Prime Minister] Modrow says on television: my friends Markus Wolf [PDS reformer and former head of state security] and Bärbel Bohley." See *Die Presse* (Vienna), trans. in ibid., Nov. 24, 1989, p. 43.

[18] Although not a cultural figure, Katarina Witt, the Olympic gold metal figure skater, continues to be a passionate supporter of the GDR's socialist system. But alas, beneficiaries of the GDR's elite sports system, such as Witt, have incurred a great deal of public wrath for the privileged—and by GDR standards lavish—life styles they enjoyed under the Honecker regime. See, for example, *The Wall Street Journal* (New York), Dec. 4, 1989.

[19] *The Washington Post*, Jan. 11, 1990.

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contacts resulting from the détente of the 1970's and 1980's, in Angela Stent's words, "to erode the already fragile domestic legitimacy of the [East German] government."[20]

Nevertheless, it is a regrettable fact that a number of leading Western scholars, perhaps overly impressed by the prestige abroad gained by the GDR in the years following the conclusion of the Basic Treaty in 1972, and oblivious to the pervasive role played at home by the East German security service (*Staatsicherheitsdienst*), succumbed to GDR propaganda. They frequently mistook East Germany's stability for the legitimacy, indeed even popularity, of the communist party. For many, Honecker's 1987 trip to Bonn virtually finalized the GDR's claim to legitimacy. GDR scholar Max Schmidt, for example, promotes the official view of the deposed Honecker regime, asserting that the Honecker visit "underscored for the international public the independence and equal status of both German states, their sovereignty, and the nature of the relations between them, based on international law" (in Larrabee, p. 128).

The stunning revolt of 1989 conclusively shattered the myth prevalent in some circles of the SED's "domestic consensus with its citizenry" and Honecker's basking in "domestic support" and "popularity" (A. James McAdams in Larrabee, pp. 53, 67, 64). The SED had not been a party that merely "*re-quest[ed]* priority in shaping civil society" (Rueschemeyer and Lemke, in their concluding chapter, p. 233, my emphasis) but rather—as must now be apparent to all impartial observers—was a Leninist political organization that demanded its leading role and pursued its totalitarian objectives through a variety of violent and coercive methods.

ON THE economic front, the GDR's new democratically elected government (along with the West German government) has inherited a formidable challenge to rebuild Germany's eastern sector.[21] Although the communist regime had liked to boast that its system stood at the top of the socialist world in economic development and performance, offering its citizens one of the highest standards of living in the Eastern bloc, the country's economy had begun to experience acute problems even prior to the upheaval of 1989.[22] The GDR's foreign trade had stagnated, economic growth had stalled, the country's manufacturing base was in drastic need of modernization, and ecological problems in many areas of the country had reached catastrophic proportions.[23]

In the consumer realm, the GDR experienced an absolute decline in goods and services in the 1980's (Doris Cornelsen, in Glaessner, p. 370), a fact even communist officials had begun to concede by the summer of 1989.[24] By the autumn of 1989, frustrated East Germans, who, via West German television, always compared the state of their economy with the Federal Republic's, not with those of other socialist states, as Jeffries points out (in Jeffries and Melzer, p. 1), had begun to fix their gaze not on reform, but rather on rescue from the West.

In order to revive its emaciated, listless economy and placate popular unrest, the PDS indicated its willingness to turn to the West for help.[25] East Berlin, which had always relied heavily in the past on foreign trade (and loans) with the West to bolster its economy, had long since accepted "the distasteful choice of limited dependence" on West Germany (Ronald A. Francisco in Childs et al., p. 196). But this past year, East Germany's decision to open the door to West German aid and investment (unquestionably a necessary and popular move) was a critical factor behind the collapse of uncompetitive, comparatively small, resource-poor East Germany.[26]

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[20]Angela Stent, "Intra-German Relations: The View From Bonn," *The Federal Republic of Germany in the 1980's. Foreign and Domestic Changes*, New York, German Information Center, 1983, p. 24.

[21]For an assessment of the economic problems facing Bonn and East Berlin in the reconstruction of eastern Germany, see *Die Zeit* (Hamburg), Feb. 16, 1990; "Bonn Plans the Next Step Toward German Unity," *Der Spiegel* (Hamburg), Mar. 19, 1990, pp. 33–44; and "Going for Broke: The Daring Plan to Rebuild the East," *Business Week* (New York), Apr. 2, 1990, pp. 50–54.

[22]See "East German Economy Falters," Radio Free Europe-Radio Liberty, *Soviet/East European Report* (Washington, DC), Jan. 10, 1989; and "East Germany: Clinging to the Hard Line—and Taking a Hard Fall," *Business Week*, Sept. 4, 1989, pp. 28–29.

[23]See Joan DeBardeleben's excellent chapter in Lemke and Rueschemeyer (pp. 144–64) for an overview of the GDR's environmental problems. For recent reports in the West German press on East Germany's ecological crisis, see "The Dirty Republic—An Environmental Report," *Der Stern* (Hamburg), Jan. 25, 1990, pp. 26–29; and "Will the GDR Make Us Poor?" *Bunte* (Munich), Jan. 25, 1990, pp. 22–26.

[24]*Der Standard* (Vienna), Aug. 3, 1989, trans. in *FBIS-EEU*, Aug. 4, 1989, p. 16. See also *The New York Times*, Dec. 21, 1989.

[25]During the December 19 meeting between Helmut Kohl and Hans Modrow, Bonn agreed to add 1.5 billion Deutsche Mark (US$871.8 million) to an existing fund of 4.5 billion Deutsche Mark for a European Recovery Program, as well as an additional 2 billion DM to guarantee major export loans to East Germany. See *The Wall Street Journal*, Dec. 20, 1989.

[26]Historically, it is worth noting that the Federal Republic's interest in trade with the GDR has always been political, rather than economic, and a brief examination of inner-German trade statistics reveals East Berlin's vulnerability to Bonn's influence. GDR-FRG trade accounts for 8.3 percent of total GDR trade, whereas for the FRG, the figure is 1.5 percent. The Federal Republic is, next to the Soviet Union, the GDR's most important trading partner. By contrast, the GDR ranks 13th among Bonn's trading partners, standing behind such countries as Sweden, Denmark, Spain, and Iran (Gert Leptin, in Larrabee, p. 280).

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GDR officials had always reacted with irritation that "certain political circles" in West Germany used trade to exert "political pressure" on the GDR (Juergen Nitz, in Larrabee, p. 306). Nonetheless, East Berlin was seldom able to resist the manifold benefits it received through its special trade relationship with Bonn, which included—precisely because the Federal Republic did not treat the GDR as a foreign state outside its customs territory—de facto membership in the European Community.

IN THE end, it was this paradoxical relationship between East and West Germany that helped push the GDR to its moment of truth. To assure itself of a future in the new era of open borders, the GDR had to reconcile itself with reliance on immediate and substantial economic assistance from West Germany. However, the only way the country's economy could overcome its "grave systemic defects" (Hannelore Hamel and Helmut Leipold in Jeffries and Melzer, p. 303) and avert economic collapse was by relying on West German advice as well as on its aid, a step that threatened the GDR's claim to legitimacy as a separate "socialist" state. This winter, before unification had been accepted by East Berlin, Prime Minister Hans Modrow and other communist functionaries made frequent mention of their fear that the GDR would be absorbed by the Federal Republic.[27]

While the PDS deliberated the perils of systemic economic reform, East German citizens resolved the matter themselves, first voting with their feet,[28] then at the ballot box. The March 18 election represented a referendum on communist rule, which East Germans soundly rejected, as well as a referendum on rapid unification with the Federal Republic, which they overwhelmingly supported.[29]

Formal unification with the Federal Republic is now targeted for 1991 or 1992. Chancellor Kohl, pleased with the victory of his conservative partners in the GDR, appears confident that he can win re-election in West Germany in December 1990, and he sees no need to unnecessarily upset the present balance in Europe if it can be avoided. But the economic problems facing the GDR remain staggering. To avert further crisis, or perhaps even collapse of the GDR's economy, the date of currency union with the Federal Republic has been set for July 1. Formal unification may remain a year or two away, but week by week the GDR will continue to be absorbed by the Federal Republic's powerful, robust economy. 1990 will mark the year the GDR's failed socialist experiment drew unmistakably to a close.

[27] *Neues Deutschland* (East Berlin), Jan. 12, 1990.

[28] In addition to the more than 350,000 East Germans who had left for the West by the end of January, Lothar de Maizière, chairman of East Germany's CDU, speculates that approximately 30 percent of the GDR population is "sitting on packed suitcases," prepared to leave for West Germany should the election results turn out to be disappointing. See *Die Welt* (Hamburg), Jan. 25, 1990.

[29] The right-of-center Christian Democratic Union received the largest portion of the vote, 40.91 percent. The CDU's coalition partners, the German Social Union (Deutsche Soziale Union—DSU) and Democratic Awakening received 6.32 percent and 0.92 percent respectively. The East German Social Democratic Party (Sozialdemokratische Partei Deutschlands—SPD) gathered 21.84 percent of the vote. The PDS received 16.33 percent of the vote. Other smaller parties competing in the election received the remaining 13.68 percent. See *Deutschland Nachtrichten* (New York), Mar. 23, 1990.

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A New Security Regime for Europe?

Phillip A. Petersen

WILLIAM T. LEE and RICHARD F. STAAR. *Soviet Military Policy Since World War II.* Stanford, CA, Hoover Institution Press, 1986.

HARRIET FAST SCOTT and WILLIAM F. SCOTT. *Soviet Military Doctrine: Continuity, Formulation, and Dissemination.* Boulder, CO, Westview, 1988.

THE INTERNATIONAL security system in Europe, to which we have long grown accustomed, is rapidly breaking down. The roots of this security system can be traced back to the peace concluded after World War I. After the Western Allies had won that war, they failed to create a just and stable security system. The failure of the post-World War I security system led inextricably to World War II. A new security system emerged in the late 1940's, but it was based on a divided Europe and brought direct Soviet influence all the way into central Germany.

Perestroyka and "new political thinking" in the Soviet Union and the revolutions of 1989 in Eastern Europe have provided the opportunity to create a new security system in Europe. But the challenge in adapting to accelerating changes in the international security constellation centers on the degree to which Western observers can free themselves from existing intellectual constructs.

For an appreciation of the dominant role misperceptions came to play in framing the West's security policy vis-à-vis the Soviet Union, the two volumes under review here provide valuable insight. To be fair, it should be noted that both works predate the most dramatic changes both in the USSR itself and in Moscow's relations with the rest of the world. Having noted this fact, it is equally fair to point out that on the fundamental issue of change, William T. Lee and Harriet Fast Scott consistently misunderstood the Soviet position throughout the 1970's and early 1980's as well.[1] Both argued that the "nuclear" revolution in military affairs was not simply a description of objective reality, but the culmination of a military-technical revolution that led the Soviets to conclude that nuclear war was winnable, and, therefore, as a continuation of politics, was an appropriate instrument of state policy. Thus, the works reviewed here represent the culmination of a long history of these two authors' misperception and misrepresentation of the context in which Soviet security decisions were taken.

THE TITLE of the book by Lee and Richard F. Staar communicates the viewpoint of its authors only indirectly. Lee and Staar argue that the only change in Soviet military doctrine and strategy since 1960 is a 1964 modification allowing "for the possibility of a conventional phase in a superpower coalition war" (p. 29). This being the view of the authors, they would find no inconsis-

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[1] Although there have been concessions to the notion of "doctrinal modifications," the basic conclusion that "its fundamentals remain the same" may be found, for example, in the Scotts' *Armed Forces of the USSR,* Boulder, CO, Westview, 1979. For William T. Lee as well, acceptance of the fact that "the Soviets modified their doctrine and strategy for war with NATO to allow for a conventional phase" never seemed to suggest any change in "their belief that such a war would escalate to massive use of nuclear weapons." See, for example, William T. Lee, *Understanding the Soviet Military Threat,* New York, National Strategy Information Center, 1977.

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tency in presenting Soviet nuclear policy as Soviet military policy. However, as I will argue below, the perspective this title conveys is wrong because it equates Soviet nuclear policy with Soviet military policy as a whole.

Lee and Staar describe much of the essence of Soviet military theory correctly. For example, they note the following: "war may begin under a variety of circumstances including . . . with either nuclear or conventional weapons" (p. 28); "preemption is the preferred option, but only on warning of an imminent Western attack" (p. 28); "because a nuclear world war would be so destructive, however, the USSR would not be justified in initiating it" (p. 27); "to fight and win a nuclear war it is necessary to have strategic air, missile, space, and civil defenses to limit damage from enemy offensive forces that survive Soviet counterforce strikes" (p. 167); "the capabilities of strategic defensive forces have lagged far behind requirements, primarily because the USSR has not been able to field the requisite weapons technology" (p. 136); and "the pattern of weapons system modernization continues to reflect the balanced emphasis on nuclear and nonnuclear capabilities evident since the mid-1960's" (p. 127).

Although as of the mid-1980's such an assessment of mainstream Soviet military thought was correct, the authors argue that "the existence of more balanced forces does not necessarily mean that the Soviets have ruled out nuclear escalation in a war with NATO" (p. 131). Improvements in Soviet conventional warfare capabilities since the mid-1960's are seen to have led "observers to overinterpret these improvements . . . as evidence of a shift to preparations for conventional warfare to the virtual exclusion of nuclear operations, in a war against NATO" (p. 131). The authors argue that "aside from expectations of a longer conventional phase than anticipated . . . Soviet literature . . . does not support such a change" (p. 131).

In fact, "such a change" emphasizing conventional warfare occurred more than 20 years ago, and the evidence for it can be found everywhere in "Soviet literature." By early 1967, General Secretary Leonid Brezhnev had mentioned publicly that Moscow no longer considered general nuclear war to be the inevitable outcome of a European conflict.[2] If there should be any doubt that such a "public" rejection of nuclear warfare was only propaganda, it should be noted that in early 1970, a flag-rank officer on the Soviet General Staff wrote for internal consumption that "there is a real possibility of conducting a conventional war in Europe."[3]

Lee and Staar do detect a "slight hint of a reduction in Soviet expectations that, if faced with defeat, NATO would escalate a conventional conflict to nuclear war" (p. 29), but they dismiss this issue with a footnote to the effect that "similar hints, however, had appeared at least a decade [1972] earlier" (p. 228). It never seems to dawn on the authors that not only did the potential for escalation make any use of nuclear weapons extremely threatening to the Soviet homeland, but that the possible use of such weapons would impose additional constraints on conventional offensive operations.

This assessment led Moscow to enhance its ability to defeat NATO conventionally and to plan to use conventional operations to destroy as much of NATO's nuclear capability as possible in the early stages of a conflict. But this strategy would succeed only by deterring NATO's use of nuclear weapons to resist a Soviet thrust into Europe. Consequently, an absolute requirement for ensuring against NATO's use of nuclear weapons was the continued development of nuclear forces to at least match, if not exceed, NATO's nuclear capability at the global, theater, and tactical levels. Only the development of such capability would offer the Soviets any hope of restraining NATO's incentives for first use of nuclear weapons, as well as better enable Moscow to prevail in the event of escalation to a theater-wide or even global nuclear conflict.[4]

THE TITLE of the volume by Harriet Fast and William F. Scott encapsulates superbly the viewpoint of its authors. Soviet military doctrine is seen simply in terms of continuity, formulation, and dissemination. The authors do not accept the existence of such revolutionary changes as have occurred on either the political or the military-technical side of Soviet military doctrine.

Only a year after the publication of the Scotts' book, the Chief of the Soviet General Staff would argue otherwise:

The development of military art is now proceeding at a particularly rapid pace. Nearly all the tenets of strategy, operational art, and tactics are undergoing radical changes, under the influence of not only military-technical, but also political-military factors. Basically,

[2]Leonid Brezhnev, "From a Speech at the Conference of European Communist and Worker Parties—24 April 1967," in *Na strazhe mira i sotsializma* (On Guard of Peace and Socialism), Moscow, Politizdat, 1981, p. 124.

[3]As quoted in John G. Hines, Phillip A. Petersen, and Notra Trulock, III, "Soviet Military Theory from 1945–2000: Implications for NATO," *The Washington Quarterly* (Washington, DC), Fall 1986, p. 123.

[4]For greater elaboration of this argument and citations of original Soviet sources in support of it, see ibid., pp. 117–37

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a new theory of military art is being created.[5]

That the Scotts did not recognize the contemporary revolution in military affairs might be explained as inadequate forecasting; but it is not possible to explain away that they also failed to recognize even those fundamental changes in Soviet military art which had occurred during the 1970's and the early to mid-1980's.

Perceiving "confusion" among Western observers with regard to "the actual relationship between the party and its Armed Forces" (p. 171), the Scotts explain that "there is an intermarriage of party and military leaders" (p. 168) and argue that "each is seeking to make the Soviet Union the undisputed leading world power" (p. 167). The Scotts conclude, therefore, that Western planners must assume that the real reason for Gorbachev's *perestroyka* "is to insure that the laws of war are kept in the Kremlin's favor" (p. 159). Gorbachev's goal of "limiting the military potential to reasonable sufficiency" is seen to be little different from programs introduced by his predecessors—Lenin, Stalin, Khrushchev, Brezhnev, Andropov, and Chernenko (p. 263). Thus, on the political side of military doctrine, the Scotts' book never considers the question of how a leader of the Communist Party of the Soviet Union might attempt to bring about systemic change.

On the military-technical side of military doctrine, the Scotts recognize only the "nuclear" revolution in military affairs. Their book makes no mention of Soviet military theoreticians having argued that military affairs were in transition to a new stage. Although the Scotts do repeat the unclassified Soviet verbal formula that "troops must be ready to fight both with the use of nuclear weapons and without them" (p. 29), they leave unanswered the question of weapons preference. Furthermore, the Scotts give little credence to Soviet assertions that NATO exercises affected Moscow's expectations and, thereby, Soviet strategic planning (p. 90).

Internal Soviet military writings parallel Moscow's more public expressions about NATO's intention to employ nuclear weapons.[6] Moreover, since NATO has repeatedly signaled Moscow on its determination to employ nuclear weapons to resist a Soviet thrust into Western Europe, the West should hardly be surprised that NATO's deliberately transmitted message affects Soviet planning as well as intent.

The Soviet verbal formula on this subject—classified until the early 1980's and repeated in the Scotts' book—suggests a fundamentally less sinister view of Soviet interest in the use of nuclear weapons: "any action conducted with only conventional weapons would be fought under the constant threat of the opponent's use of nuclear weapons" (p. 91). Since there is no evidence supporting the Soviet intention of first use of nuclear weapons from an offensive posture, Soviet references to nuclear war qualified with the phrase "should the enemy unleash it" cannot be dismissed as mere propaganda.

In the early 1980's, the Scotts and Lee were in the vanguard of those who defended the "nuclear only" threat paradigm as articulated in Marshal V. D. Sokolovskiy's *Military Strategy*.[7] Ignoring the fact that this tome represented a collective work for which Sokolovskiy only served as general editor, and that he fundamentally disagreed with the proposition that a future war would be "nuclear only," the Scotts and Lee missed an entire stage in the development of Soviet military art. At the same time as this unclassified book was being published in its third edition (it appeared in 1962, 1963, and 1968), Sokolovskiy was coauthoring an article for internal consumption which argued that "the possibility is not excluded of wars occurring with the use of conventional weapons, as well as the limited use of nuclear means in one or several theaters of strategic military action [*teatr voyennykh deystviy*—TVD], or of a relatively protracted war using the capabilities of all types of armed forces." Sokolovskiy and his coauthor expressed the view that "at present [1968] military affairs are entering or have already entered the next stage of their development, and, apparently, it is necessary once again to introduce essential changes into military art."[8]

The long-term importance of the two books under review lies in assisting the understanding of the role of images in the struggle over "threat" definition. By studying these works, it is easier to appreciate how a large number of facts can be consistent with mutually exclusive "threat assessments." Such an

[5]Colonel General M. A. Moiseyev in *Krasnaya Zvezda* (Moscow), Feb. 10, 1989.

[6]See, for example, *The Voroshilov Lectures: Materials From the Soviet General Staff Academy, Volume I, Issues of Soviet Military Strategy*, Washington, DC, National Defense University Press, 1989. As noted by Raymond L. Garthoff on page 8 of the introduction to this "authentic and authoritative" volume, "the doctrine set forth in the 1973–75 lectures does reflect an important change that had begun in the mid-1960's . . . incorporating the possibility that nuclear weapons might not be employed, and the clear Soviet preference for keeping any war that might occur non-nuclear."

[7]See *Soviet Military Strategy*, edited with analysis and commentary by Harriet Fast Scott, New York, Crane, Russak, and Company, Inc., 1975.

[8]Marshal of the Soviet Union V. D. Sokolovskiy and Major General M. I. Cherednichenko, "Military Strategy and Its Problems," *Voyennaya Mysl'* (Moscow), October 1968.

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understanding is a necessary first step in the struggle to free Western security policy from the misperceptions accumulated over the more than 70 years of Soviet history.

As late as 1988, the Scotts were still convinced that "whoever may be the party's General Secretary, it is improbable that any change will alter the Marxist-Leninist goal of scientific communism: the overthrow of capitalism, which in the final analysis means any nation outside of the Soviet orbit. This objective will remain the basic thrust of Soviet military doctrine" (p. 264). For their part, in writing about how "abandoning the USSR war-fighting strategy or reducing the military's share of GNP are not among [the major innovations Gorbachev] has in mind," Lee and Staar identified the circumstances that would prompt a change in their assessment: "First there would have to be a revolutionary transformation in the Soviet political leadership. Second, the military burden on the USSR economy would have to create such adverse conditions that the current leaders would conclude that they must either change their military policies or risk loss of party control over the country" (p. 182).

THE FIRST condition set forth in the Lee and Staar book was established with the appointment of Yuriy Andropov as general secretary of the CPSU in 1982. As Raisa Gorbacheva was reported to have said to Mrs. Averell Harriman, "We owe everything to him." Early in his career, Andropov was a protégé of Otto Kuusinen, a Finnish communist with long experience in the Soviet party-state apparatus. Kuusinen had managed to recruit a number of such reform-minded party intellectuals as Fedor Burlatskiy, Georgiy Arbatov, Aleksandr Bovin, and Oleg Bogomolov to work for him in the Central Committee Secretariat. Gennadiy Gerasimov, Nikolay Shishlin, Georgiy Shakhnazarov, and Vladimir Kryuchkov joined Kuusinen's "consultants" to become the "Andropov circle," initially supporting "peaceful coexistence" and "democratization," and subsequently opposing the rehabilitation of Stalin that was initiated under Brezhnev in the mid-1960's.

What appeared at the time to be the "final blow" to the "Andropov circle" came with the 1968 Warsaw Pact invasion of Czechoslovakia. During the years that followed, according to Tat'yana Zaslavskaya, the principal author of the "Novosibirsk Report," they "all led double lives, not only scholars but a few progressive-minded politicians like Gorbachev . . . . there was not a single one among us who could say we never made a single compromise."[9]

Andropov and his circle of party intellectuals embraced a "revolutionary pragmatism" prompted by mounting evidence of the magnitude of Soviet economic failure and by the view that the USSR's security would increasingly be dependent upon its economic power. Regarding security policy, what seems to have emerged was a non–zero-sum model of security emphasizing threat-reduction, unilateral restraint, and a cooperative stance toward traditional Soviet adversaries. Georgiy Arbatov, who is described as having become "a close friend of Andropov's,"[10] described the new strategy as one of depriving the West of its "enemy."

In a 1978 speech, Andropov revealed the essence of what subsequently would emerge as a new security model for Europe: "Our position is clear, Europe must become a continent of peace and good-neighborly cooperation. Here, in Karelia, we have to emphasize the significance of the Soviet Union's good-neighborly . . . cooperation with Finland. Soviet-Finnish relations today . . . represent the very kind of détente that makes for a more lasting peace."[11] Although Andropov had only 15 months as general secretary, and for much of his tenure was too ill to be effective, he did succeed in moving sufficient numbers of his supporters into key positions to ensure survival of the changes he set in motion. This is not to argue, however, that Andropov was a reformer. According to Bogomolov, "Andropov is being idealized now. If he had lived he probably would have changed things some, but he would not have touched the underlying structures of society."[12]

The revolutionary transformation in Soviet political leadership is directly related to the second condition for questioning the arguments of the books under review. Widening gaps with the West in technological progress, labor productivity, and living standards, in addition to inflation, ecological disasters, permanent shortages of many essential goods, non-competitiveness of the majority of Soviet manufactures, and a falling economic growth rate are indicative of the very profound and pressing nature of the economic crisis facing the Soviet Union. Since the USSR has "no choice other than a radical change of the existing social system," Bogomolov, now the director of the Institute of the Economy of the World Socialist System, has argued that "a form of political pluralism, appropriate for the particular conditions and historic traditions of the [USSR], has

[9]Tat'yana Zaslavskaya as quoted in *The Washington Post*, Feb. 10, 1990.

[10]Zhores A. Medvedev, *Andropov*, New York, W. W. Norton and Company, 1983, pp. 178–79.

[11]Yuriy V. Andropov, *Izbranniye rechi i stat'i* (Selected Speeches and Articles), Moscow, Politizdat, 1979, p. 287.

[12]Oleg Bogomolov as quoted in *The Washington Post*, Feb. 10, 1990.

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become an indispensable prerequisite" for successful economic recovery. This change in the political, social, and economic system is expected by Bogomolov to require "ten to 15 years and will be accompanied by an acute struggle of opinions and by conflicts between the old and new modes of action."[13]

THE PROCESS of revolutionary transformation of Soviet society prompted by the sense of crisis described by Bogomolov was initiated by the decisions of the CPSU Central Committee plenums in March and April 1985, which, respectively, elected Gorbachev general secretary and adopted the program of *perestroyka.*[14] In turn, after nearly two years of discussions in the Soviet Defense Council,[15] the decisions taken by the Central Committee in the spring of 1985 led to the adoption of a military doctrine consistent with the assessment that ensuring security would be increasingly a task for diplomats rather than soldiers. This new approach to security was to reshape relations between the USSR and the rest of the world.

In Europe, Moscow's new approach to security initially used Northern Europe as a "model" for the USSR's relations with its satellite states. The Soviets believed that a two-tier neutral zone comprised of "West-leaning" (i.e., Sweden) states together with "East-leaning" states that could confidently be depended upon to defend their territorial integrity (i.e., Finland) might be established. Such a zone might provide Moscow with greater confidence in the determination of Poles, Czechoslovaks, and Hungarians to defend their respective states. Essentially, it was hoped by Soviet security theorists that they might be able to "Finlandize" states they could no longer control at an acceptable cost. In the case of Germany, this meant acceptance of eventual unification, but on condition of neutrality.

By late summer 1989, the transformation in the character of relations between the USSR and the socialist countries of Central Europe was said by the Soviets to be "already under way, and we understand and accept this de facto." Thus, "where Soviet foreign policy interests are not challenged, and an attempt is made to set up a market economy and a pluralistic system, the processes taking place in these countries can be correctly understood by the Soviet Union."[16] Arguing that Soviet diplomacy toward the states of Central Europe "should undergo profound restructuring in essence, methods, and style," USSR Foreign Minister Eduard Shevardnadze explained to the Supreme Soviet in October 1989 that "new alternative forces are emerging on the political arena in some of these countries for the reason that this is what the people want."[17] Rezső Nyers, chairman of the new Hungarian Socialist Party, supported Shevardnadze's characterization of the new environment: "certainly, in Eastern Europe one cannot conduct policy that is openly anti-Soviet," but, he said, "the Soviet Union has ceased to be an ideological power; it no longer regards itself as the avant-garde of world revolution."[18]

That at least some Soviet specialists believe Eastern Europe is much less important as a buffer zone than it once was is probably less important than the recognition that the non-Soviet Warsaw Pact (NSWP) states share some common security concerns with the Soviet Union. For example, a Soviet participant in a 1989 meeting of the Institute for East-West Security Studies held in Frankfurt, West Germany, expressed the belief that "Poland has an interest in being in an alliance with a great power in a time of rapid and uncertain change."[19] Soviet Marshal Sergey F. Akhromeyev concluded that even with a coalition government in Poland headed by a noncommunist, Poland's interest in "the stability of [its] territory and state boundaries" has "remained the same, to a significant degree."[20] Despite the "historic" changes sweeping through the NSWP states, Shevardnadze declared that "all these countries remain the Soviet Union's neighbors, allies, and friends."[21]

Although Moscow talks of the maintenance of both the North Atlantic and Warsaw Treaty organizations, the latter has ceased to exist as an integrated operational command because, for all intents and purposes, the Warsaw Pact command statutes are null and void. Authorization for the employment of Polish, Czechoslovak, and Hungarian armed forces outside their respective national territories now requires approval of the governments of these countries, effectively negating Soviet control over these national forces through the Warsaw Pact operational command structure.[22] Furthermore, by June 30, 1991, Moscow has agreed to withdraw all its troops from both Czechoslovakia and Hungary.[23] In

[13]Oleg T. Bogomolov, "The Origins of Change in the Soviet Union," *Adelphi Papers* (London), No. 247, Winter 1989–90, p. 28.
[14]Mikhail Gorbachev, *Perestroika: New Thinking for Our Country and the World*, New York, Harper and Row, 1987.
[15]*The Washington Post*, July 13, 1988.
[16]Andranik Migranyan, "For Discussion: An Epitaph to the Brezhnev Doctrine. The USSR and Other Socialist Countries in the Context of East-West Relations," *Moscow News*, No. 34, 1989, p. 6.
[17]*The Washington Post*, Oct. 24, 1989.
[18]*The International Herald Tribune* (Paris), Oct. 14–15, 1989.
[19]*The Washington Post*, Oct. 24, 1989.
[20]*The New York Times*, Nov. 30, 1989.
[21]*The Washington Post*, Nov. 1, 1989.
[22]*The International Herald Tribune*, Jan. 16, 1990.
[23]*The Washington Post*, Mar. 11, 1990.

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a somewhat understated description of the new reality, the Soviet ambassador to the January 1990 NATO-Warsaw Pact seminar on military doctrine in Vienna, Vladimir Shustov, noted that "I imagine that military questions [in the Warsaw Pact] will now be discussed on a more democratic basis, taking into account the interests of each state."[24]

The head of the Hungarian Institute for Foreign Relations, Peter Hardi, has written that "opposition groups in Eastern Europe never saw NATO as the equivalent of the Warsaw Pact."[25] Thus, as the former "opposition" assumes leadership in the NSWP states, both the relationship between the Warsaw and North Atlantic treaty organizations, as well as relations among the signatories of the Warsaw Pact, will be further adjusted to reflect the altered political reality in Central Europe. Soviet willingness to accept further adjustments is suggested by Marshal Akhromeyev's expectation that one or two of the Warsaw Pact states will "probably" leave the treaty organization.[26] The Hungarian deputy foreign minister has told Moscow that "no doubt . . . at some point in the future, membership in the Warsaw Pact will cease to be of strategic interest for Hungary."[27] According to the Hungarian chief of staff, "we are already redeploying some troops away from the western border" so as to "be prepared to defend ourselves . . . from any direction," since "we no longer have an image of the enemy formulated on an ideological basis."[28]

THE conceptualization of a security model based on non–zero-sum calculations—which may be traced back to Andropov's appreciation for the advantages of Soviet-Finnish relations over the USSR's relations with its Warsaw Pact allies—would both overcome the division of Europe and bridge the Atlantic to maintain Europe's link with Canada and the United States. Moscow has also come to appreciate the contribution the North American states make to European stability. The vice rector of the diplomatic academy of the USSR Foreign Ministry, for example, has argued that "a certain presence of American troops—a limited presence—poses no danger" to Soviet security, and that since "some circles in Western Europe feel their security is greater with American troops [present in Europe], let them have it."[29] As Soviet foreign policy specialist Andrey Kokoshin stated during the US-Soviet summit at Malta, "we have no master plan, no desire to drive America out of Europe. In calling for a new Helsinki mechanism, we have chosen a framework that gives the United States and Canada legitimate roles in Europe."[30]

Beyond the desire of some Warsaw Pact security theorists to retain NATO as an instrument for the restraint of a unified Germany, the Soviets expect West European integration to dilute German influence in Central Europe. The Soviets, French, and even the West Germans agree that incorporating a unified Germany and its army within a supra-national "West European Confederation" with its own military forces would resolve concerns over the maintenance of present borders. Under such a "mechanism" all "foreign" troops would be withdrawn from Central Europe, a proposal that has been frequently advanced by Moscow. This proposal would require only that American and British forces withdraw from western Germany as residual Soviet forces withdraw from eastern Germany. The Bundeswehr would cease to exist, and, at least initially, the new supra-national army would probably be headed by a non-German commander. The presence of Belgian, Dutch, and French soldiers on German soil would further reinforce Polish and Soviet confidence on the territorial question.

As stated by former British Defense Minister David Owen, "it would not be impossible for NATO to accept that United States forces would not be deployed in a united Germany. The skill will come, however, in keeping American forces in Western Europe and in keeping a united Germany within the Western European security framework."[31] US Secretary of Defense Richard Cheney has said that an agreement under which "the Soviets were out of Eastern Europe and the US retained a modest presence in Western Europe would probably be the ideal outcome."[32] For his part, USSR Deputy Foreign Minister Vladimir Petrovskiy has already declared that "our final goal is to have not a single Soviet soldier abroad by the year 2000."[33]

Various regional groupings are expected by Soviet security analysts to facilitate economic integration while contributing to the stabilization of an all-European security system. The Italians, for example, have helped to organize a so-called Danube and Adriatic grouping in the south.[34] For Austria, Czechoslo-

[24] *The International Herald Tribune*, Jan. 18, 1990.
[25] Ibid., Feb. 13, 1990.
[26] *Defense Daily* (Washington, DC), Feb. 14, 1990.
[27] *The Washington Post*, Jan. 16, 1990.
[28] Ibid., Feb. 4, 1990.
[29] *The New York Times*, Nov. 30, 1989.
[30] *The Washington Post*, Dec. 3, 1989.
[31] *The London Sunday Times*, Nov. 12, 1989.
[32] *The Wall Street Journal* (New York), Jan. 31, 1990.
[33] *The Washington Times*, Jan. 17, 1990; see also *Die Welt* (Hamburg), Feb. 28, 1990, translated in Foreign Broadcast Information Service, *Daily Report: Soviet Union* (Washington, DC), Mar. 1, 1990, pp. 3–4.
[34] "*Mitteleuropa* Tunes Up Once More," *The Economist* (London), Nov. 18–24, 1989, p. 73.

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vakia, Hungary, and Yugoslavia, which are also participating in this regional grouping, membership in the European Community is the ultimate goal. The first meeting took place in Budapest during November 1989. Although Czechoslovakia was not a participant at that time, it hosted a second meeting in Bratislava in April 1990. During this latter meeting, there was resistance to suggestions that Poland join the grouping.[35]

But whereas Moscow sees centripetal forces in action in the West, it is forced to contend with growing centrifugal forces in the East. Burlatskiy has observed that "there is an asymmetry between the disintegration of Eastern Europe and the growing integration of Western Europe." As a result, he fears that the Soviet Union could become "an economic appendage of the West, a supplier of raw materials." The only alternative, Burlatskiy argues, is the creation of "a common market on the entire European continent."[36]

When asked, however, West Europeans question whether Russia is not too big, and too Asian, to fit in as a full member of the EC. Yet, as with Turkey, the potential political cost of exclusion is simply perceived as too high. The price of eventual associate membership Moscow will probably have to pay will likely be the independence of the Baltic republics. Inasmuch as the Lithuanians, Latvians, and Estonians are determined to regain the independence illegally taken from them, West European politicians have no flexibility with regard to supporting the self-determination of the Baltic republics.

Diplomats from Finland, Sweden, Norway, Denmark, and Iceland have all indicated to the author the willingness of the Nordic Council to accept Estonia, Latvia, and Lithuania as members. Such action would undoubtedly be reassuring to Moscow since it would tend to restrain the penetration of German political influence into the Baltic republics. It also accords with Soviet conceptions of a European security regime based on the "model" of Northern Europe, which was discussed above.

OBVIOUSLY, the transition to a new security regime will involve a series of stages. Economic integration of the kind that now exists in Western Europe—broadened to include Central Europe and perhaps the Soviet Union as well—could provide a firm foundation for the new security structure. Toward this goal, the 12-nation European Community and the six-nation European Free Trade Association (Austria, Finland, Iceland, Norway, Sweden, and Switzerland) began the process of forging an expanded free trade area and customs union in December 1989.[37] Integrating Eastern Europe into this scheme will, of course, be more difficult. But the establishment of a US$12 billion East European Development Bank to assist Central and East European states in establishing market economies is an initial step toward all-European economic integration.[38]

The transition to a new security environment will further expose Soviet economic and political vulnerabilities. Soviet political analysts like Bovin admit such vulnerability when they explain that "Americans realize that the shifts in East Europe and the acute collisions and difficulties within the USSR weaken the positions and narrow the room to maneuver on the part of the Soviet leadership. So [the West does] have trump cards." Yet, Bovin also believes the West to be sufficiently sophisticated to welcome the Soviet Union as a permanent partner in constructing a new European security structure founded on economic integration. Thus, the United States and its allies will not deny Moscow its aspirations, because "the Americans consider it not in their own interest to undermine the forces advocating *perestroyka* and the further evolution of Soviet foreign policy within the framework of new political thinking."[39]

The implication of Bovin's statements is that tying the Soviet Union to Europe is every bit as critical for a just and stable security regime as is tying Germany to Western Europe. Such a scenario would require "new political thinking" on the part of the West and, in the process, jettisoning the misperceptions that have accumulated over the last 70 years of confrontation with the Soviet Union.

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[35] *The New York Times*, Apr. 10, 1990.
[36] Ibid., Nov. 30, 1989.
[37] *The Wall Street Journal*, Dec. 19, 1989.
[38] *The Washington Post*, Apr. 10, 1990.
[39] *Izvestiya* (Moscow), Feb. 7, 1990.

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Breakdown and Reconstitution: Thinking About the Russian Revolution

Lars T. Lih

DONALD J. RALEIGH. *Revolution on the Volga: 1917 in Saratov.* Ithaca, NY, Cornell University Press, 1986.

EDUARD BURDZHALOV. *Russia's Second Revolution: The February 1917 Uprising in Petrograd.* Translated and edited by Donald J. Raleigh, Bloomington, IN, Indiana University Press, 1987.

S. A. SMITH. *Red Petrograd: Revolution in the Factories, 1917–1918.* Cambridge, Cambridge University Press, 1983.

DAVID MANDEL. *The Petrograd Workers and the Fall of the Old Regime.* New York, St. Martin's Press, 1983.

DAVID MANDEL. *The Petrograd Workers and the Soviet Seizure of Power.* New York, St. Martin's Press, 1984.

VERA BROIDO. *Lenin and the Mensheviks: The Persecution of Socialists Under Bolshevism.* Boulder, CO, Westview Press, 1987.

JANE BURBANK. *Intelligentsia and Revolution: Russian Views of Bolshevism, 1917–1922.* Oxford, Oxford University Press, 1986.

RICHARD SAKWA. *Soviet Communists in Power: A Study of Moscow During the Civil War 1918–1921.* New York, St. Martin's Press, 1988.

THE EIGHT books under review can be divided into two categories: those that deal with the Russian revolutions of 1917 (Raleigh, Burdzhalov, Smith, and the two works by Mandel) and those that deal with the civil war years (Broido, Burbank, and Sakwa). Or another possible division is between the books that are mainly sympathetic to the October Revolution and those that are mainly hostile to it. This division reveals a surprising fact: all the books on 1917 are sympathetic to the revolution, while all the books on post-October developments are hostile. But on further reflection, perhaps this result is not so surprising: whoever is in power always looks bad enough to make whoever is in opposition look good. But is there another approach that will allow us to overcome this division and to see 1917 and the following years as a unified historical process?

The search for this unity will take us back to the period before 1917 to consider the impact of World War I on Russia. Of the works under review, the one that tells us most about this subject is Donald Raleigh's *Revolution on the Volga: 1917 in Saratov*. Raleigh shows that nothing about the course of the revolution or its outcome can be understood without considering the all-pervasive influence of the war.

It is difficult to appreciate the sheer scale of the war's disruption of Russian society. For example, a crucial factor in the ultimate Bolshevik success was the support of the military garrison stationed far from the front in Saratov. Although the soldiers of this garrison were often called "peasants in gray coats," these uprooted people in the garrison were for the time being neither peasants nor gray-coats but a group of men not engaged in any useful activity while being maintained at great expense.

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Even more striking evidence of the disruption caused by the war are population figures from Saratov in 1916 which show that the percentage of refugees (17.9 percent) was greater than either the professional middle class (15.5 percent) or the commercial middle class (9.8 percent). How much can the class analysis suitable for more settled times tell us when unassimilated newcomers outnumber the members of certain traditional classes?

The war also led to economic strains that aggravated existing class hostilities and to political strains that not only increased the tension between liberals and socialists but split apart the socialist movement. Thus, the war eliminated whatever small chance of consensus and compromise had existed among existing classes and political groupings.

Curiously, Raleigh chooses to downplay the impact of the war in his summation: "True social revolution erupted in Russia in 1917. It was not accidental. It was not solely the child of the war. It was not out of character with the country's political and social development" (p. 321). Such conclusions spring from disputes between historians that I find rather metaphysical, inasmuch as the categories according to which such disputes are conducted—"true social revolution," "accidental"—seem arbitrary. What did "the country's political and social development" mean apart from the events that made it up, including war and revolution? Certainly, the profound strains in prewar society had been engendered by the tsarist government's reluctant recognition that industrialization and modern education were required for war-making potential. Moreover, although I agree with Raleigh that tsarism was not viable, it was not viable precisely because it could not sustain a modern war. States incapable of repelling armed invasion cannot survive in the pitiless environment of the 20th century.

Raleigh avoids contradiction between the conclusion quoted above and his fine portrayal of the effects of the war because he sees the war as aggravating or intensifying already existing discontents. But what if we were to reverse our perspective? We could then argue that the war led to what I will call the double breakdown: by 1917 Russia had neither the material base for the necessary economic relations between town and country nor the political base for an effective national political class." The economic breakdown meant that food produced by the peasants could not be obtained solely by exchange methods; the political breakdown meant that conflict among contenders for power crippled any attempt to create a new political authority.

People reacted to this unprecedented set of problems by falling back on social loyalties and ideologies developed before the war, but these loyalties and ideologies evolved in unexpected ways when they were forced to cope with challenges for which they were not designed. This reversal of perspective gives appropriate weight to the prewar developments that defined how people saw their choices and strategies, but it gives the determining role to the challenges of the double breakdown. Indeed, much evidence found in the other studies of 1917 and the civil war under review supports this hypothesis.

EDUARD Burdzhalov's *Russia's Second Revolution: The February 1917 Uprising in Petrograd* is a classic of Soviet historical writing. Donald Raleigh, the editor and translator, writes that it "may well be the best book in any language" on the February Revolution. I would not go as far, since Tsuyoshi Hasegawa built upon Burdzhalov's book to give a more balanced picture of the February Revolution.[1]

Russia's Second Revolution's impact on the development of Soviet historical writing that is fully described in Raleigh's sympathetic introduction. Burdzhalov owes his notoriety on the Soviet scene to his open mind on the subject of Bolshevik vacillations and miscalculations, but this issue does not have the same significance for a Western audience. Nevertheless, Burdzhalov's book can be recommended to Western readers not only because it is now more easily available than the Hasegawa study, but also because it is a gripping portrayal of events that does not lose sight of the larger social forces involved.

The books by S. A. Smith and David Mandel focus exclusively on the Petrograd working class. They complement one another nicely: Smith deals primarily with authority relations within the factory, while Mandel describes the changing attitude of the working class toward the problem of state political authority. Both share an infectious admiration for the militant "conscious worker." In his *Red Petrograd: Revolution in the Factories, 1917–1918*, Smith's description of factory committees, trade unions and workers' control is well-written and soberly argued.

Mandel's *The Petrograd Workers and the Fall of the Old Regime* and *The Petrograd Workers and the Soviet Seizure of Power* are valuable contributions to the existing literature. His interpretation is rather schematic, but it is an intelligent schema that is carefully worked out and gives a dramatic push to his chronicle. Best of all, Mandel quotes contemporary sources ex-

[1]See Tsuyoshi Hasegawa, *The February Revolution, 1917*, Seattle, WA, University of Washington Press, 1981.

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tensively and at length. A dispassionate paraphrase of a rabble-rousing speech may be inaccurate just because it is dispassionate. With his quotations of the speeches of the day, Mandel evokes the hoarse voice of the exhausted agitator that is the essence of 1917.

Two main themes emerge from these studies. The first is the impossibility of coalition. Liberals and socialists who might have worked together under an established political authority could not do so when the nature of political authority itself was up for grabs: too much was at stake.

This split between liberals and socialists inevitably led to a further split within socialist ranks between those who insisted that coalition was impossible and those who insisted that coalition was necessary. Neither socialist position was based primarily on ideological principles. As Mandel especially makes clear, pro-coalition socialists were not necessarily bound by Marxist theory on the necessity of a bourgeois revolution; rather, this theory rationalized their gut feeling that the country could not be run without cooperation among the educated elite. Burdzhalov's account of the February Revolution shows that these gut attitudes were present right from the beginning of 1917.

The second broad theme in these studies also relegates ideology to a lesser role, for all authors stress that the drive for sovereignty based on the soviets (*sovetskaya vlast'*) was motivated above all by the need to solve the challenges posed by the economic and political breakdowns of 1917. The logic of events is encapsulated by a June 1917 resolution of a meeting of workers' representatives quoted by Smith:

> *We believe that even if the wage increases are now granted, the uninterrupted rise in the price of commodities and of [housing accommodations] will render this gain worthless. And so a decisive struggle is necessary to establish workers' control of production and distribution, which, in turn, requires the transfer of power into the hands of the soviets.* (p. 124)

In this resolution, we note the reference to the out-of-control economic situation that doomed individual attempts at economic betterment. In turn, the critical state of the economy led to the demand for *kontrol'*, or checking up on the owners. This demand is an example of what might be called the politics of suspicion, because the underlying assumption was that the owners were to blame for economic disruption. The politics of suspicion led inevitably to the demand for a political authority that excluded the "capitalist saboteurs."

THE WORKS by Raleigh, Burdzhalov, Smith, and Mandel aim to show that the actions of the working class were in some sense rational—that is, they cannot be explained by anarchistic instincts, by ideological utopianism, or by the skillful demagoguery of Bolshevik "outside agitators." They have made their case so well that (the penalty of success) this dispute no longer seems very interesting.

More relevant to our concerns is a broader claim made primarily by Smith and Mandel: worker radicalism in 1917 was a shining moment of class assertion that remains an inspiring demonstration of the possibility of socialist democracy. I want to examine this claim because the very high evaluation of 1917 is one reason for the feeling of disappointment and betrayal caused by the civil-war period.

Both Smith and Mandel highlight the quality of intolerance in working-class political culture. Indeed, Mandel admiringly describes three features of the political culture of the workers: a principled dislike of compromise, a demand for class unity, and a pervading suspicion of the educated elite. One could argue that much of Stalinist political culture was both a direct manifestation of these qualities and a reaction against them, since it must have been difficult to govern people who both refused to compromise and insisted on unity.

The deep-seated suspicion that characterized the working-class attitude toward the educated elite gave rise to the basic rhetorical term "sabotage." As Smith remarks, " 'sabotage' and 'saboteur' were key words in popular discourse during the revolution" (p. 167).

Here a recent remark by Soviet publicist Igor' Klyamkin about the "enthusiasts" of the 1930's seems relevant. In response to those who look back to the 1930's with nostalgia, Klyamkin granted that the enthusiasm of the period was real and contributed to the achievements of the Soviet Union. But, he continues, this enthusiasm was so deeply bound up with the murderous "vigilance" of the 1930's that its passing is difficult to mourn. The same might be said about the militancy of 1917 (although Klyamkin himself traces Stalinist political culture only back to war communism).[2]

However, Smith and Mandel focus so exclusively on the workers that they give the impression that the workers' suspicion of elite sabotage was in large part justified. This contention could be debated, although careful attention must be given to the slippery term "sabotage," under which one could lump together such disparate actions as placing dynamite under a

[2]See Igor' Klyamkin, "Why It Is Difficult to Speak the Truth," *Novyy Mir* (Moscow), No. 2, 1989, p. 227.

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bridge and a principled refusal to compromise.

But "sabotage" was not only an accusation, it also was a prescription for overcoming the double breakdown: put down the saboteurs and you have removed the main obstacle to a unified economy and a stable political authority. This prescription, it seems to me, was deeply unrealistic and doomed from the start the project of a political authority based on the soviets. A political authority based on the soviets could not have overcome the double breakdown, and so its later "degeneration"—or rather, mutation into something else—does not inspire in me the same disappointment as it does in Smith and Mandel.

Mandel tends to accept the militant workers' melodramatic picture of a pitched battle between the democratic forces and a Provisional Government controlled by the forces of "counterrevolution." But the real problem with the Provisional Government was that it barely existed. Here Raleigh's description of Saratov stands as a stark presentation of the underlying processes of the revolution that are generally obscured by the high politics in the capital. A theme that runs through Raleigh's book is the breakdown in day-to-day public administration, the absence of law and order, and the deterioration of public services. A Saratov Bolshevik named Pavel Lebedev put his finger on the problem when he observed about the local government that "not one question that interested the masses was raised and resolved in its entirety. Naturally, the masses turned away from it as though they had forgotten about its existence" (p. 199).

DESPITE my critical remarks, I believe that the empathy Raleigh, Burdzhalov, Smith, and Mandel have with their subject has helped them to present—along with the many other excellent studies published over the last decade or so—a rounded and convincing portrait of 1917.[3] We do not have a similar portrait of the civil war years, perhaps because, as in the books on that subject under review, a lack of empathy has led scholars to take an adversarial approach toward their subject. This lack of empathy is not simply a matter of the political stance of the authors. When Smith and Mandel, for example, look beyond October, all they see is loss, degeneration, and breakup, as their beloved "conscious workers" are dispersed by economic collapse, civil war, and co-optation into the party-state bureaucracy.

The basic problem, I believe, is the lack of appropriate standards to apply to the civil war years. If one conclusion emerges unambiguously from the study of 1917, it is that democracy—either liberal or socialist—was inadequate for coping with the double breakdown of national economic relations and political authority.

In fact, the luckiest thing that ever happened to the Constituent Assembly—the symbol of Western-style democracy in Russia—was its dispersal by the Bolsheviks. If it had actually attempted to govern and had been unable to deal with ending the war, solving the food crisis, and responding to regional revolts, it would quickly have fallen apart and shared the inglorious reputation of the Provisional Government. The symbol of the sovereignty of the soviets—the Central Executive Committee—was more discreetly prevented from disgracing itself. But if we once accept that democracy was not in the cards, what standards do we apply? The answer, for the most part, is that we find ourselves at a loss. The three books on the civil war under review are each in their way examples of the application of inappropriate standards.

Vera Broido's *Lenin and the Mensheviks: The Persecution of Socialists under Bolshevism* does not meet even the weakest academic standards. It comes complete with a charmingly diabolical Lenin who is a "secret megalomaniac, as there are secret drinkers" (p. 10). Lenin's uncontrollable hatred drives the reluctant Bolsheviks to persecute their erstwhile Menshevik comrades. The first half of Broido's book is an elementary history of the Russian Revolution about which it will be kindest to pass over in silence. The valuable part of the book is the chronicle of Menshevik martyrdom. Here Broido is able to call on family history (her parents were prominent Mensheviks) and a number of other sources to write almost a month-by-month account of arrests, exiles, and executions. From this perspective, the argument that the harsh period of war communism gave way to the more relaxed period of the New Economic Policy (NEP) dwindles in significance, inasmuch as harassment of the Mensheviks actually increased in the early 1920's.

Despite Broido's lack of academic sophistication, she poses a challenge: can anything at all be said to excuse such dreadful and undeserved suffering? And yet this question does not end the discussion, for one can ask a question of Broido: what solution did the Mensheviks propose for the grim realities of those troubled times? Here Broido has nothing to say, for she focuses almost completely on passive suffering. Her silence is emblematic of the tragic irrelevance of humane, Westernized values to the

[3]For a discussion of recent scholarship on 1917, see Ronald G. Suny, "Revising the Old Story: The 1917 Revolution in Light of New Sources," in Daniel H. Kaiser, Ed., *The Workers' Revolution in Russia, 1917*, Cambridge, Cambridge University Press, 1987, pp. 1–19.

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challenge of the double breakdown.

THE VALUES that the Mensheviks advanced may not have been able to offer a path out of troubled times, but they are still around today while Bolshevik values have faded. The same is true of a whole range of ideals promoted by the various members of the intelligentsia, as shown by Jane Burbank's *Intelligentsia and Revolution: Russian Views of Bolshevism, 1917–1922*. The most surprising thing about this book—surprising probably even to the author herself—is its relevance to the Soviet Union today. Now that the intelligentsia is finding its independent voice again, its members are picking up their feud with Bolshevism right where they left off 70 years ago. All the values promoted by Russian intellectuals in the civil war years have their advocates today, including even the outlandish ravings of anti-Semitic conspiracy theorists.

Burbank devotes a chapter each to figures representing the major currents of thought within the intelligentsia, which allows her to examine individual personalities as well as the clashing outlooks they embraced. As Burbank points out, intelligentsia critics are the source of much of our thinking about war communism, and she believes that this influence is to their credit: "they, and not the government, were correct from the beginning about the problems of socialist construction" (pp. 253–54).

Yet, to take one example, Bolshevik food-supply policy was a conscious retreat from socialist principle.[4] The intelligentsia critics—and Burbank—misread the historical experience of the civil war period. In their polemical haste to dismiss Bolshevik excuses for economic failure, the critical intellectuals grossly underestimated the tremendous pressures of day-to-day coping with the double breakdown.

It is also doubtful whether the burgeoning over-centralized state arose merely as a result of Leninist ideological prejudices. For example, the liberal Peter Struve was the principal architect of the theory that Russian economic collapse was a practical refutation of socialism, and yet here is what he himself said when he was still advising the government in 1916: "We must have a harmonious, fully thought-out organization of all the aspects of life in conformity with the objectives of a war of indeterminate duration. [This is] the problem of the all-round organization of the nation—economic, political, and perhaps above all, spiritual."[5]

Burbank describes her subjects as modestly accepting the traditional role of the intelligentsia as "observers, analysts, and critics" (p. 253). But wait a minute—isn't this a bit too modest? Paul Milyukov, Victor Chernov, Struve, Julius Martov—these people presented themselves as potential leaders of the revolution and the country, and Struve, Milyukov, and Chernov held the highest political posts. This fact is important for our understanding of the political breakdown, for the failure of the intelligentsia as a political class gives us some idea of the difficulties the Bolsheviks had to overcome in rebuilding political authority in Russia.

Two aspects of this failure become clear in Burbank's pages. The first is the fantasy relationship with the *narod*. It seems that the intelligentsia could switch back and forth at a moment's notice from hating the *narod* for spoiling their lovely revolution to clinging to the *narod* as a repository for the intelligentsia's own values.[6] Judging from Burbank's account, the intellectuals' ruminations about the *narod* were vague, barely distinguishing among peasants, workers, and soldiers. The Bolsheviks' crude Marxist categories begin to look like marvels of sophistication by comparison.

Burbank also chronicles the sorry record of splits, feuds, and divisions among the intelligentsia politicians. The intolerant features of working-class political culture reappear among the educated elite. The divisions were not only among Mensheviks, Socialist Revolutionaries, Kadets, and monarchists, but within each of these currents. After reading Burbank's book, one is less surprised by the crude methods used by the Bolsheviks to ensure their precarious unity than by their accomplishment of preserving any unity at all.

THE BOLSHEVIK obsession with political unity is part of Richard Sakwa's definition of war communism in *Soviet Communists in Power: A Study of Moscow During the Civil War, 1918–1921*. Sakwa wants to demonstrate that war communism did not result from the civil war, Russian backwardness, or any other "exogenous circumstance," but from primary Bolshevik goals. Sakwa analyzes these goals using such categories as "Bolshevik project" and "communist project." Because the "Bolshevik project"

[4]Lars T. Lih, *Bread and Authority in Russia, 1914–1921*, Berkeley, CA, University of California Press, 1990, p. 213.

[5]Cited in ibid., p. 267. Struve also argued that socialist doctrine was at fault because it preached laziness. This nonsense is merely an intellectual's version of accusations of sabotage: the belief that the dislocations of a collapsing economy are due to the malevolence of a whole class.

[6]For what one can only hope is an extreme expression of intelligentsia hostility to the real-life *narod*, see Terence Emmons, Ed., *The Time of Troubles: The Diary of Iurii Vladimirovich Got'e*, Princeton, NJ, Princeton University Press, 1989.

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covers everything from the determination to stay in power to a long-term strategy of industrialization, the concept is too unwieldy to be of much use as an analytic tool. Sakwa's critique of the "communist project" is based mainly on Marxism's neglect of the need for an independent civil society.

It is hard to disagree that Bolshevik ideology valued unity of will infinitely higher than the pluralism of civil society. Sakwa uses a Central Committee resolution of May 1918 to demonstrate this point: "Without a firmly united party, acting as one person, we will not be able to cope with the tasks facing us. [We require] a powerful core, permeated with a single will and a single aspiration" (p. 99). But the same point was made by Aleksandr Chayanov, the famous critic of Marxist agrarian theory, during economic debates in 1917: "We do not only need a single plan, but also a single will to carry out that plan."[7] Thus, Marxist ideological commitment was not the cause of the collapse of civil society in the years 1914–21. Rather, a basic loyalty to the imperatives of unity sprang from an environment characterized by the double breakdown, when the fundamental unity underlying Russian society no longer existed. Perhaps we would have a greater empathy with the strivings of those troubled times if we read less Karl Marx and more Thomas Hobbes.

Like the intelligentsia critics of Bolshevism described by Burbank, Sakwa is exasperated by attempts to excuse Bolshevik failures by references to the civil war. But the challenges faced by the Bolsheviks were not those of the civil war alone: the concept of the double breakdown gives a better idea of the dimensions of these challenges and their pre-October roots. The use of a concept like the double breakdown would have prevented Sakwa from repeating the popular argument that war communism must have been ideologically motivated because it intensified in 1920, after the civil war seemed to be over. It does not take much acquaintance with documents from 1920 to realize that the foremost thought on everyone's mind was to stave off economic breakdown and, in the words of a Bolshevik official, to "crawl out of the quagmire" into something remotely resembling normal times.[8]

Sakwa gives us much useful data on such diverse topics as the cooperatives, wage policy, and the fight against religion (although curiously no vivid portrait of Moscow as a city ever emerges). He devotes much attention to the party disputes of 1920–21 and sheds welcome light on such obscure figures as Ye. N. Ignatov and T. V. Sapronov, whose challenge to the party leadership is labeled by Sakwa the "Moscow Autumn" in an unconvincing parallel to the Prague Spring (p. 274). But Sakwa's book is fundamentally weakened by its focus on describing and explaining "war communism." As a result, despite all the useful information in this study, we are further away from the empathetic kind of in-depth presentation that historians have achieved for 1917.[9]

PERHAPS the underlying problem with "war communism" is that no matter how it is defined, it centers on the question "what went wrong?"—an open invitation to the imposition of inappropriate standards. Bolshevik prejudices certainly are an integral part of any valid historical account of the period. But we should keep alive at least the possibility of a more sympathetic account of Bolshevik efforts. We can then grant that the Bolsheviks were a bunch of incompetent ideologues—what else could they have been?—and still argue that for a bunch of incompetent ideologues, they did not do so badly.

In our search for useful standards for the study of the civil war period, we might consider a representative of the intelligentsia discussed in Jane Burbank's book. Nikolay Ustryalov, who stands somewhat apart from most of Burbank's other subjects, was the principal theorist of the "Changing Landmarks" (*Smena Vekh*) movement that urged the right-wing intelligentsia in emigration to come to terms with the Bolshevik government and to act as a sort of loyal opposition. Judging from Burbank's use of disparaging epithets to describe him and his thought—"xenophobic," "fatalistic," "conscious chauvinist," "aggressive nationalism"—Ustryalov seems as unrespectable today as he was back then. Could one possibly learn from such a man? But having read the articles by Ustryalov on which Burbank relies,[10] I find her characterization one-sided and tendentious.

Ustryalov's core value was the continuity of Russian statehood (*gosudarstvennost'*). In his view, this continuity alone could preserve the possibility both of cultural devel-

[7]Cited in Lih, op. cit., p. 88.

[8]This comment, made at the Eighth Congress of Soviets in 1920 by V. V. Kunayev, is discussed in Lars T. Lih, *Bolshevik Sowing Committees of 1920: Apotheosis of War Communism?* Carl Beck Papers in Russian and East European Studies, University of Pittsburgh, Pittsburgh, PA, forthcoming in 1990.

[9]In this regard, see also Silvana Malle, *The Economic Organization of War Communism, 1918–1921*, Cambridge, Cambridge University Press, 1985.

[10]The articles can be found in N. V. Ustryalov, *Pod znakom revolyutsii* (Under the Badge of the Revolution), Harbin, 1925; and idem, *V bor'be za Rossiyu* (In the Struggle for Russia), Harbin, 1920.

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opment without outside intervention and of a recognized contribution to world history. But the concern with statehood gave Ustryalov a more profound sense of the crisis created by military defeat and the double breakdown that accompanied it. A hands-on acquaintance with the alternatives to Bolshevism engendered his heightened sense of the difficulty of overcoming the political breakdown. A loathing of 1917—the year of state disintegration—started Ustryalov on his journey from orthodox Russian liberalism to conciliationism, and the experience of living through Admiral Aleksandr Kolchak's defeat in Siberia completed it. The horrors of civil war made civil peace a moral imperative, since only peace made possible a humane evolution of the Bolshevik government. These values and experiences allowed Ustryalov to see Bolshevism with a dual vision: he could be scornful of Bolshevik ideology and devastatingly eloquent about the horrors perpetrated by the Cheka, and still defend the Bolsheviks as the only party capable of preserving Russian statehood.

THERE is no need to defend all of Ustryalov's positions: no doubt he had many illusions about NEP and later about Stalin. But thinkers like Ustryalov do offer us the outlines of an approach that can empower empirical research. To make this approach more concrete, I offer a new label for the post-October, pre-NEP years: "the period of reconstitution." Like all historical labels, it is based on intertwined moral and empirical propositions: overcoming the double breakdown was the most important task for the Russian government during this period, and the difficulties of establishing and preserving economic and political unity are much greater than those who live in settled times can easily imagine.

The proposed label is not meant to replace war communism's implied question "what went wrong?" with an equally limiting "what went right?" One can still examine the many Bolshevik policies that hindered reconstitution, but at least this approach holds open the possibility of appreciating the real accomplishments of the Bolsheviks as well as other social forces. The concrete question then becomes: what forces (policies, leaders, groups) led toward reconstitution, and what forces led away from it?

An approach stressing the importance of reconstitution is also a response to the challenge of seeing the revolutionary years as a unified historical process. Reconstitution only makes sense in relation to the crisis of the double breakdown that had its roots in earlier years. The label requires some dimming of the luster of 1917, the year of accelerated breakdown that saw only the first confused strivings toward creative solutions. But in return, the label allows us to see the following years as something more than a saga of betrayal and lost hopes. Perhaps then the scholarly achievements we have seen in the study of 1917 can be generalized to the whole drama of the years 1914–21.

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Consequences of *Glasnost'*

Marc Raeff

WALTER LAQUEUR. *The Long Road to Freedom: Russia and Glasnost.* New York, Charles Scribner's Sons, 1989.

ALEC NOVE. *Glasnost in Action: Cultural Renaissance in Russia.* Boston, MA, Unwin Hyman, 1989.

MARQUIS DE CUSTINE. *Empire of the Czar: A Journey Through Eternal Russia.* Foreword by Daniel J. Boorstin. Introduction by George F. Kennan. New York, Doubleday, 1989.

THE TERM *glasnost'* has become universally known since Mikhail Gorbachev became leader of the Soviet Union. But in fact it has more than a century-old history. In *The Long Road to Freedom: Russia and Glasnost,* Walter Laqueur points out that its earliest use may be traced to the muckraking and "radical" émigré journalism of Alexander Herzen in the 1850's. In the 1860's, as W. Bruce Lincoln has noted,[1] the term was used by enlightened intellectuals and liberal reformers to advocate the emancipation of the serfs, as well as administrative reforms to make the government more responsive to society's needs.

In the 19th century, *glasnost'* connoted the need for the government's actions to be open to public scrutiny, so as to preclude the manifold abuses and crimes of the bureaucracy. Essentially, this is the meaning that was originally attached to the word *glasnost'* by Gorbachev and his allies in the party. It is opposed to *partiynost',* which proclaims the primacy of the interests and needs of the party and gives priority to the demands of ideology over accurate factual information. As Laqueur correctly notes, *glasnost'* is a style of government rather than a policy. True, by revealing the real inadequacies in the country, *glasnost'* may lead to (or demand) *perestroyka* (reconstruction)—but the two are quite different things and one may occur independently of the other.

In today's American political culture, I would say that *glasnost'* is equivalent to openness in government, an openness that may be achieved through publicity in the media and resort to the Freedom of Information Act. While in the United States this openness has in the last resort been obtained through court action, in the Soviet Union it has been mainly the doing of writers and littérateurs. As a matter of fact, I would argue that *glasnost'* has been primarily the outcome of the more relaxed and tolerant censorship that began to be practiced in the closing years of Leonid Brezhnev's rule and that acquired a wellnigh irresistible dynamic force under Gorbachev.

By revealing the many shortcomings and problems of Soviet Russia's past and present, *glasnost'* has also put in question the ideological basis, the framework, and the legitimacy of the Soviet system. *Perestroyka* thus became the logical consequence of *glasnost',* a consequence with which Gorbachev is now trying to cope.

The books by Walter Laqueur and Alec Nove are therefore quite timely in giving an up-to-date account of the workings and results of *glasnost'* up to the time they were written—that is, the middle of 1989. As a result of being published so quickly, however, the two volumes also show the marks of having been

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[1] W. Bruce Lincoln, "The Problem of *Glasnost'* in Mid-Nineteenth Century Russian Politics," *European Studies Review* (London), Vol. IX, 1981, pp. 171–88.

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produced in haste; they contain not only a number of typographical errors, but also minor factual inaccuracies that careful editing would have eliminated. However, both books are well researched, are very informative, and read well. They are essential to an understanding of the transformation occurring in Russia today, as well as to a comprehension of its immediate past.

THE READERS of *Problems of Communism* do not need a detailed summary of the various forms *glasnost'* has taken and of the factual revelations it has produced. The partial table of contents in Nove's volume gives a fair idea of the topics affected by *glasnost'*: Stalin and Stalinism; the Rehabilitation of History—or the History of Rehabilitation; the Terror; Religion, Nationalism, Morality; Literature and the Media; Politics, Sociology, and Law; Economic Problems and Issues. I would only like to point out some observations and conclusions that, to my mind, emerge from the many concrete illustrations that both authors have culled from an extraordinarily broad and thorough perusal of practically everything of importance that has been published in the Soviet Union in the last five years or so.

In its Soviet incarnation, *glasnost'*—i.e., publicity—involved a more open account than heretofore permitted of the problems and abuses occurring in Soviet daily life. *Glasnost'* did not go much beyond the practice of "unmasking" and condemning specific instances of wrongdoing perpetrated by various Soviet bureaucracies and failures of performance in the economic realm. But the sheer magnitude of the wrongdoings—for example, in Brezhnev's immediate entourage—revealed by *glasnost'* in order to explain the unsatisfactory state of the country did astonish both Soviet citizens and Western observers alike. Thus, the revelations acquired a dynamic of their own, eventually forcing discussion of the causes that underlay the parlous situation. In this manner, as more and more of the hidden past became known, the so-called "blank spots" of Soviet history came to stand out more forcefully.

To understand the causes of present inadequacies, it was necessary to dig further and further into the errors and crimes of the past. Inevitably such investigations meant putting in question the basic moral and psychological wellsprings of official policy and bureaucratic performance (at whatever level) and accounting for their effects on the moral and psychological, as well as physical, conditions of the population (or select groups and individuals).

Also not surprisingly, one of the major points of attention in the earlier stages of *glasnost'* related to the Gulag and its victims. Harbingers of *glasnost'* in this case are Nikita Khrushchev's speech at the 20th CPSU Congress (1956)—which, incidentally, still has not been published in the Soviet Union—and his permission to publish A. Solzhenitsyn's novella *One Day in the Life of Ivan Denisovich* and V. Dudintsev's novel *Not by Bread Alone*. Quite logically, these revelations demanded better knowledge and understanding of the period of Stalin's unchallenged dictatorship. Information on Stalin's regime—largely known and publicized in the West—opened the floodgates of *glasnost'* and led to an ever freer and broader ranging discussion of the very nature of his rule and regime. Stalinism—Stalin's ghost, in Laqueur's formulation—was the first issue of principle that was raised and it stimulated discussion on the nature of the country's past and the very essence of the Soviet system.

In turn, this meant the necessity of "rehabilitating" many of Stalin's victims and querying his policies—first domestic, but then also foreign. The question of alternatives to his policies arose, too—for example Nikolay Bukharin's position on collectivization. In this way some of the old Bolsheviks, as well as previously banned writers (A. Platonov, M. Bulgakov, A. Akhmatova, E. Zamiatin, and others) became the symbols and inspiration of an ever broadening spectrum of opinions and approaches to Soviet Russia's past and present. The present is now discussed more openly and critically; fundamental questions on the best way to solve contemporary difficulties are beginning to be debated in the light of those revelations, while knowledge of foreign practices and ideas and of proposed alternative solutions in the past becomes available again.

Following a Russian tradition going back to the 18th century, literature has been the major vehicle of *glasnost'*. People assess and debate the revelations and new information provided by novels, short stories, drama, poetry, and essays on aesthetics. Only slowly, and often quite reluctantly, did representatives of other professions—economists, historians, lawyers, sociologists—become drawn into the process of *glasnost'*. The reason for this lag is not far to seek. These fields required, first, a great deal of still inaccessible information and, second, the development of concrete policy responses to the problems revealed by *glasnost'*: both conditions might be too uncomfortable for the party leadership. Nor could concrete issues be effectively tackled in the absence of a genuine democratization of the Soviet party-state.

In the case of historians, full *glasnost'* about the "blank spots" of the past would not only require freer access to sources but the courage to

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challenge major figures in the academic establishment. Another reason for the historians' tardiness, not mentioned by either of our two authors but to my mind equally important, is the fact that full *glasnost'* about Russia's history requires not only new factual information but also a better understanding of the meaning of these facts for the development of Russia and the Soviet Union. A better understanding, however, entails two fundamental changes: from a philosophic or methodological viewpoint, it would be necessary to give up the notion of lawful inevitability (*zakonnomernost'*) of historical evolution, and to pay attention to individual motivations and psychological and moral factors. Such changes in methodology in turn would require a new vocabulary and getting rid of or redefining, in the light of verifiable evidence, a number of cliché concepts (e.g., class war, feudalism, imperialism, etc.). This would mean a major "reconstruction" of the historians' explanatory and conceptual frameworks.

Writers of historical fiction have taken the first steps in revising the standard framework and professional historians will have to follow suit. The first signs of such a radical transformation are making their appearance, as I saw during my recent visit and conversations with fellow historians in the Soviet Union. This will hardly please a number of Western historians, for it may very well be that some fashionable Western historical approaches will have little appeal to a genuinely open and "reconstructed" Soviet historian.

RUSSIAN literature of the 18th and 19th centuries approached reality from the perspective of moral and philosophical concerns. But by engaging, whether implicitly or explicitly, in moral judgments and metaphysical speculations, the writers opened the gates to far-ranging and deeply probing psychological analyses and intellectual debates. This same tradition, in the context of *glasnost'*, put in question one of the fundamental features of the Soviet "experiment," namely, its conception of the nature of man and its efforts at "restructuring" it. The experiment having obviously largely failed, leading novelists can now say: man's nature has not been changed, a new type of man (the Soviet man) has not emerged; but in the course of the experiment, man's inner soul may even have been damaged, perhaps irremediably so. Soviet society has to confront the questions about the way out. What were the alternatives to the experiment available in the past and what is again possible now?

No one can deny the seriousness and the difficulty of these questions, for they involve passing a judgment not only on the history of the last 70 years and on the very meaning of the "October Revolution," but also deciding what are Russia's genuine traditions and values. A critical evaluation of Leninism (and its relationship to Stalinism and to what followed) is still not permitted, although, as Nove notices, some small breaches in the efforts at stonewalling this issue have been made recently. Moreover, where is one to look for alternative ideological concepts as well as political models? Under the circumstances, it is not surprising that such hallowed "traditions" as nationalism and religion have come prominently to the fore.

Walter Laqueur's great merit is to give a detailed and full account of the revival of Russian nationalist exclusiveness and moralism, as well as of religious faith and Orthodox church tradition. Such manifestations have not only a positive aspect, but a negative side as well. A sense of nationalist exclusiveness brings with it social and cultural chauvinism that, in turn, lead usually to xenophobia and anti-Semitism—and, as we know, both are expressed more and more openly in the Soviet Union. The open and active revival of Orthodoxy has not only the beneficial aspect of restoring the values of Christian spirituality; it also may produce such negative manifestations as cultural chauvinism. In addition, it also bolsters such aggressively-defensive attitudes as the rejection of all displays of modernism, as well as of liberalism, which become identified with toleration of depravity and moral laxness.

Thus *glasnost'* has had the not unexpected result (all too familiar in the history of the 20th century) of stirring up hate—hatred of avant garde aesthetics, hatred of other nations and creeds. Such hateful attitudes have led to clamorous demands for restrictive police legislation and ruthless authoritarianism to prevent or eradicate all these evils. Laqueur not only points out this facet of *glasnost'*, most often associated with the group *Pamyat'*—Nove dwells on it too—but also reminds us of the startling and disturbing historical precedents and comparisons in Wilhelminian and Weimar Germany. The comparative dimension is absolutely indispensable if we wish to understand the dynamic potential—for both good and evil—that is contained in *glasnost'*.

BOTH Nove and Laqueur cover the same ground, sometimes the same facts are related by both. This is only natural, for both have to draw on the same body of evidence. Laqueur's book is the more analytical of the two, for it not only stresses the comparative and historical dimensions, it also puts in sharp focus the political implications of the problems created by *glasnost'*. His is a critical evaluation, balanced but tilting to a "pessimistic" interpretation of the implications of *glasnost'* for the survival of the Soviet

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system. Conscious of the distinction between *glasnost'* and *perestroyka,* Laqueur remains skeptical of a genuine and far-reaching political *perestroyka* as a result of the revelations and discussions made possible by *glasnost'*. Recent statements by Gorbachev concerning the basic constitutional and economic character of *perestroyka* bear out Laqueur's cautious assessment.

Professor Nove, by contrast, approaches the evidence from the inside, as it were. He obviously is at ease and more familiar than Laqueur with the specifically Russian aspects of *glasnost',* with the unspoken allusions to Russia's literary and intellectual tradition. He is also more "optimistic" in his assessment of *glasnost',* which he places within the framework of Russia's liberal, democratic, humanitarian, and socialist traditions. He appears to share with left Menshevism an approval in principle of the revolution of 1917 and its hope for the possibility of a moderate, democratic, and socialist *perestroyka* of Russian society. He is also more critical of economic liberalism and market capitalism than Laqueur. Unfortunately, in my opinion, Nove's book is short on interpretation; by and large he is content to offer a full repertory of the disclosures and new topics of discussion allowed by *glasnost'* without touching on their broader implications for the Soviet system as a whole.

Be that as it may, on the basis of the evidence they both adduce, I think that Laqueur and Nove would in substance agree with the following statement:

A mixed government is not the most favourable to action; but in their old age, nations have less need of acting: this [representative] government is the one which most aids production, and which procures to man the greatest amount of prosperity; it is, above all, the one which imparts the highest activity to mind within the sphere of practical ideas: in short, it renders the citizen independent, not by the elevation of sentiments, but by the operation of laws; assuredly these are great compensations for great disadvantages.

The quotation is from the preface (pp. 16–17) by the Marquis de Custine to his well-known book, originally published in 1843, *La Russie en 1839.* Doubleday has now published a slightly abridged version (85 percent of the original) of the English translation of 1843 under the misleading title *Empire of the Czar: A Journey through Eternal Russia.*

It is a most handsomely produced volume—having beautiful typeface and lay-out, with a number of heretofore rarely reproduced illustrations and particularly attractive vignettes at the head of each chapter culled from a contemporary Russian journal. In its own days, *La Russie en 1839* fed the wave of Russophobia that swept France (and England) before the Crimean War.

The book, however, is less a description of Russia in the reign of Nicholas I than a critical and emotional response to the secretiveness and brutal arbitrariness of his regime. Custine is primarily a moralist—in the classical French 17th and 18th century tradition, and sometimes a clever political analyst and thinker, in the vein of Vicomte de Chateaubriand and Madame de Staël. (The only comprehensive and intelligent monograph on Custine and his book is by George F. Kennan, some pages of which are reprinted in the present volume as an introduction.) Custine's factual information and observations of Russia and its people are often inaccurate, partial, and marred by an emotional flaunting of the notorious French ethnocentricity in standards of taste and judgment. His psychological and political comments, however, bespeak the keen intelligence and subtle perceptivity of men and women of his generation.

Daniel J. Boorstin's comparison, in his foreword, of Custine's work with Alexis de Tocqueville's classic *Democracy in America* is, in my opinion, quite out of place. Tocqueville not only traveled extensively in the United States, while Custine only glimpsed St. Petersburg, Moscow, and the road in between, and the one leading to Yaroslavl' and Nizhniy Novgorod. Tocqueville also knew the language and was familiar with the English and European background of 19th century Americans, whereas Custine was ignorant of both the language and the history of the country he described.

Boorstin justifies the (re)publication of the book in the following words: "obviously we cannot understand any nation, including our own, without knowing its past. And especially in the case of Russia we need every kind of help that can be found toward a fuller knowledge of the past. For in recent decades the Russians—even after becoming Soviets—have not given themselves or us much reliable help." Quite apart from the sketchy knowledge of Russian historiography this statement bespeaks, and regardless of one's opinion about the relevance of history to the understanding of the present (I for one think that it is rather tenuous and requires handling with the greatest of circumspection), it is doubtful that Custine's cogitations and egregious ignorance of Russian history and society, whatever the cleverness of his general reflections, can be of much help in confronting the issues that Laqueur and Nove raise in their well-informed accounts of *glasnost'* and of its possible consequences.

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Perestroyka and Beyond

Ronald Tiersky

MICHEL TATU. *Gorbatchev, l'URSS va-t-elle changer?* (Gorbachev: Will the USSR Change?). Paris, Le Centurion, 1987.

SEWERYN BIALER, Ed. *Politics, Society, and Nationality in Gorbachev's Russia.* Boulder, CO, Westview, 1989.

JERRY HOUGH. *Russia and the West: Gorbachev and the Politics of Reform.* New York, Simon and Schuster, 1988.

MOSHE LEWIN. *The Gorbachev Phenomenon.* Berkeley, CA, University of California Press, 1988.

COMMUNISM is dissolving before our eyes, and a new debate is building in the wake of its dissolution. History itself is prompting a rethinking of the study of communist and "post-communist" systems. What are the terms of this debate, reconceptualizing the "problems of communism" as they were defined for decades?

The debate once again centers on the question of where the line is between problems of communism and problems of governance, which used to set one political side against another. One side saw all problems in communist countries as problems of communism, while a second regarded them as problems of governance. Today, however, as communism and the cold war fade together, it ought to be wholly possible and salutary to move beyond this ancient dispute. It no longer makes sense, on one side, to insist that all fundamental problems in communist and "post-communist" countries are inevitably "problems of communism." On the other side, *glasnost'* regarding communism's crimes and failures—we're getting it, after all, from Soviet President Mikhail Gorbachev and Soviet Foreign Minister Eduard Shevardnadze themselves—invalidates the old sympathizers' attempts to "explain away" the shortcomings of communist regimes, as well as a certain social science tendency to describe communist politics in terms of just another system with its own, albeit very peculiar "problems of governance."

Reform in communist systems always prompted this debate, and reform had been attempted in fits and starts for more than three decades. Nikita Khrushchev's initial, and timid, criticism of Stalin's crimes first made it at least plausible to argue that communist regimes could change from within. János Kádár's "goulash communism," the Prague Spring, and Eurocommunism each, in different ways, also suggested development rather than a dead end.

In the last five years, however, Gorbachev's assault on communist orthodoxy broke the dam of communist reform. Astonishingly, the leader of the Communist Party of the Soviet Union has himself become the leader of an "anti-party group"! The pent-up waters of communist change have been let loose, and they seem strong enough to totally dissolve the Stalinist structures within the foreseeable future.

Stalinism seems to have lost the war, even if all the battles are not yet over. Soviet *perestroyka, glasnost',* and "new political thinking" in foreign policy have changed communism's face in the world, while a whole series of liberations (Andrey Sakharov, a more open emigration policy for Soviet Jews, etc.), rehabilitations (Nikolay Bukharin, Aleksandr Solzhenitsyn, etc.), and confessions of guilt (the massacre of Polish officers by the Soviet secret police in Katyń, Afghanistan, the Krasnoyarsk radar system, etc.) reveal an internal wrestling with truth that has inevitably led to demystifying the very myths upon which communism and the Soviet regime were based: the necessity of the lead-

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ing role of the communist party, the superiority of communist ideas over socialist ones, and the meaning of both the historical figure of Lenin and "Leninism" itself.

NOT THAT everything is decided: fierce rear-guard fighting is occurring, as we have seen, for example, in China. Hence, a real danger is the tendency to forget what we used to know—to try to comprehend today's events as if their origins and context were irrelevant to their significance. A brief quotation from an official communiqué issued in the aftermath of the Tiananmen events in China reminds us of the kind of thinking characteristic of an earlier era:

Those party members who deviated from the correct political stand and violated party discipline during the turmoil and the counter-revolutionary rebellion should be strictly punished in accordance with the discipline, including expelling them from the party.[1]

This is the Stalinist language of democratic centralism, a high (and criminal) ideological justification for purges, political murder, and massive repression. Remembering the bureaucratic vocabulary of Stalinist morality, the intellectual distance traveled away from this wooden language by the Gorbachevs, the Imre Pozsgays, and even the Wojciech Jaruzelskis only astonishes us the more, despite the recidivism reported from time to time. The rest of communism's old bloody-mindedness is reflected in a few lines from Deng Xiaoping's notorious June 9 speech to military commanders after the Beijing massacre:

This storm was bound to happen sooner or later. As determined by the international and domestic climate, it was bound to happen and was independent of man's will. It was just a matter of time and scale. . . . Actually, what we faced was not just some ordinary people who were misguided, but also a rebellious clique and a large quantity of the dregs of society . . . . They had two main slogans: to overthrow the communist party and topple the socialist system. Their goal was to establish a bourgeois republic entirely dependent on the West.[2]

Few people are persuaded by this language any more. The historical masquerade of communism as a higher truth is ended. The communist "vanguard" party is discredited as an idea, and the disappearance of Marxist-Leninist self-righteousness is among the most important causes, and effects, of *perestroyka*. Those few communist governments in which Stalinism's wooden language remains *de rigueur* are either fooling themselves (some folly is irremediable) or demonstrating they have become mere ruling cliques, having lost the old communist party's genuine social roots.

International opinion reacted emotionally to communism's collapse this past year. George Will, for one, sounded downright melodramatic: "These are the most momentous months in mankind's history. This is so not merely because of the scale of events shaking regimes from the Danube to the China Sea, but also because of the clarity with which great ideas are clashing and historic controversies are being resolved." Will concluded, portentously but entirely plausibly, that the "totalitarian premise itself" was being administered a historic defeat.[3]

Will's conclusion is, I think, correct. Communism's dissolution, both as a system and as an idea, is so plain and so far advanced that not to begin with the assumption that *perestroyka* has put everything at stake seems intellectually dishonest. We are far from being able to know what will be put in communism's place, but we do know that the old game is up.

A new framework for thinking about communism remains to be worked out, and the varieties of analysis will need to account for the diversity of reform communist and post-communist political conditions. It is still too soon to know everything a new conception must account for. Yet, we can see various elements being put together in recent books on Soviet politics, four of which are reviewed here.

TO REVIEW (let alone to write!) books on communism's evolution is a perilous task today. Events quickly put books out of date and devalue old categories, the continued relevance of the concept of "totalitarianism" in particular. Probably no one realized five years ago, when Gorbachev became general secretary of the CPSU, that change would occur so quickly or could involve so much.

Michel Tatu's *Gorbatchev, L'URSS va-t-elle changer?* (Gorbachev: Will the USSR Change?) reminds us how even the most expert of Sovietologists "failed" to foresee either the extent or the rapidity of communism's evolution. But upon acceding to power Gorbachev himself had not measured the full range and depth of Soviet problems, thus, at that time, his program was not yet nearly so radical as it has become. It is thus pointless to ask why no one "predicted" what has occurred. But it is worth thinking about why so few Sovietologists gave convincing or

[1] *The New York Times*, June 26, 1989.
[2] The transcript of Deng Xiaoping's speech appeared in ibid., June 30, 1989.
[3] George Will in *The International Herald Tribune* (Paris), June 8, 1989.

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genuinely committed accounts of the potential for communist reform from within, i.e., from the top.

Tatu's work, published in 1987, presents itself as an "inventory" of "everything one can know about [Gorbachev] at the present time" (p. 5). Tatu's complaint about how little information was available, despite SOVT, the new and successful Soviet studies computer network he had set up at *Le Monde* (where he remains one of the *grands journalistes* and editorialists), sounds a bit quaint today.[4] Certainly we did not, and do not, know everything. But we can make certain distinctions among the things we don't know. Some details, the facts of childhood and other personal characteristics, don't necessarily count for much. Others, such as Gorbachev's education, experiences in the party, and friendships he made along the way, can help us understand where the "Great Reformer" came from politically, how he made it to the top, and how reformist he was when he got there.

In this vein, a retired Soviet general, in a recent interview, poses an impertinent question that should disturb even the most unconditional Gorbachev admirer. Despite the Soviet leader's "great courage" politically, said Ivan D. Yershov, "Gorbachev and some of the others held major posts in [the Brezhnev] years and did nothing to get things started earlier. Where were they?"[5]

I think this is an important question, one that Tatu could not answer (and one that has not yet been answered satisfactorily). Although Tatu provides much new information about Soviet leaders, the early "Gorbachev network"—how it began, how it was cultivated, how it interacted with the patronage networks of Leonid Brezhnev, Yuriy Andropov, and Konstantin Chernenko, and how it "elected" itself at the end—remains largely unresearched.

The missing information is important because, beyond a historian's interest in "what happened," it will tell us much about the internal life of communist parties. What did communist leaders say to each other during all these decades? How could ambitious people so successfully maintain a conspiracy of silence toward the outside world? What were the human characteristics that made democratic centralism and the ban on factions so compelling at the top of the hierarchy? Knowing how the reform-minded Gorbachev network created itself and survived to triumph will surely increase confidence that totalitarianism will always be temporary, that the desire for freedom will always, sooner or later, win out over dictatorial obsession with power and control.

More is known about the last stages of Gorbachev's selection than about his years as a middle-level party official. For example, the hypothesis, implied by Tatu and asserted by Jerry Hough, that a two-stage succession was informally agreed upon at the time of Andropov's unexpected early incapacitation and death, seems quite credible. The old guard got its last hurrah (Chernenko), but allowed Gorbachev to move halfway onto the saddle, where he assumed several major responsibilities and was assured of moving into the top job following Chernenko's death.

Tatu's biography was one of the first accounts to reveal Gorbachev's friendship, at Moscow State University in the early 1950's, with Zdenek Mlynář, who was to become a leading Czechoslovak reformer of the mid-1960's. Though not much can be deduced with certainty about the effect of this or other alleged friendships with East European reform leaders, Mlynář, interviewed by Tatu, gave an impression that Gorbachev was a free-thinking personality even then: "One day [Gorbachev] told me, 'But Lenin didn't put [Julius] Martov [an opposition Menshevik leader] in prison, he allowed him to emigrate.' In 1952, that meant," Mlynář opined, "that the student Gorbachev was questioning whether people really were divided into those who accepted the party line and criminals" (p. 44).

Tatu's book remains a useful, expert summary of both Gorbachev's biography, and, in chapters 7–9, of Soviet domestic and foreign policies in the first two years of his rule, before the radicalization of *perestroyka*. Tatu even put his scholarly prestige on the line earlier than many others, by asserting that "contrary to what certain people thought in the beginning, [Gorbachev's] policy is not a 'trick' to put our Western vigilance to sleep, inasmuch as the reasons for these changes are almost exclusively domestic in character" (p. 255).

THE VOLUME edited by Seweryn Bialer, *Politics, Society, and Nationality Inside Gorbachev's Russia*, is the fruit of an East-West Forum project. It features chapters on the pre-Gorbachev roots of reform (by Peter Hauslohner), and several social issues (Gail Lapidus's discussion of the emergence of a Soviet civil society, Alexander J. Motyl's analysis of nationality questions, and Laurie P. Salitan's essay on Soviet Jewry). Ar-

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[4]Other early discussions of Gorbachev's biography include Dusko Doder, *Shadows and Whispers*, New York, Random House, 1986, pp. 281–94; Zhores A. Medvedev, *Gorbachev*, New York, Norton, 1986; Christian Schmidt-Häuer, *Gorbachev: The Path to Power*, London, I. B. Tauris, 1986; and Archie Brown, "Gorbachev: New Man in the Kremlin," *Problems of Communism* (Washington, DC), May-June 1985, pp. 1–23.

[5]*The New York Times*, Sept. 21, 1989. Yershov served as second-in-command of the Warsaw Pact forces that invaded Czechoslovakia in August 1968.

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chie Brown provides a general essay on "Ideology and Political Culture," and Bialer wrote two topical chapters, one on Boris Yel'tsin's ouster as chief of the Moscow city party committee and as a candidate member of the Politburo, and one on the "Moscow Spring" period. The latter included a discussion of the 19th Party Conference and of the Central Committee plenum of summer 1988.[6]

Instead of trying to review all the excellent contributions to this volume, let me focus on two points raised by Brown, Bialer, and Lapidus. Archie Brown encourages the reader to think anew about a common-sense idea of Soviet "political culture." His objective is not to rehabilitate a controversial term used in the 1960's in American comparative-politics analysis, but to avoid an old habit of conceiving the communist mentality solely in terms of "ideology" vs. "pragmatism." He finds that "Soviet Marxism-Leninism and Russian and Soviet political culture are intertwined and make an impact on each other" (p. 27). Brown's point is that Soviet Marxism-Leninism can be revised without necessarily becoming un- or anti-Soviet or Russian. Consequently, "there are few policy options that are actually ruled out by Marxism-Leninism, although it is an ideology that makes it more difficult to defend some than others" (p. 29).

In a sense, Brown raises the whole question of the meaning of Leninism. A crucial example is the issue of democratic centralism, discussed by Brown and, more extensively yet, by Seweryn Bialer. What is the "Leninist" point of view here? The answer is, as usual, that Lenin said almost everything and the contrary. Certainly, his predominant emphasis was on centralism and the need for "unity" (i.e., the party must be totally united behind the policy of the leader). Yet, at advantageous moments, Lenin also emphasized the "democracy" in democratic centralism. The point is not to rehash the obvious—that Lenin was a philosophical and political opportunist—but to recognize that references to "a return to Lenin" *could* be used, as Gorbachev has, to justify a liberal and democratic policy as well as a centralized dictatorship. In this regard, Bialer writes: "[Institutionalized] competition can be achieved with only one party in the Soviet Union, although the principle of democratic centralism and the resolution of the Tenth Party Congress of 1921 banning the creation of factions would have to be abolished" (p. 224).

Although a multi-party system has now become almost a foregone conclusion, *within* the CPSU it is hard to see why formal repeal of both the ban on factions and the principle of democratic centralism would still be necessary. The ban on factions is being quietly abandoned (the Inter-Regional Group, Democratic Platform, and other potential parties already exist in the Soviet parliament), while democratic centralism could, as Gorbachev has already hinted will occur, be redefined rather than eliminated.[7] This would enable a reformed CPSU to accept genuine "pluralism, political democratization, and legal reform"—in short, to accept, as Gail Lapidus says, "the emergence of civil society in the Soviet Union" (pp. 130–31). If the CPSU accepts pluralism and legality for itself, it has no basis for rejecting the same principles for society.

But the party cannot establish a civil society. Although "Peter-the-Greatism" can produce an army, it cannot create a citizenry. A civil society can only be produced by the people. On this point, Lapidus agrees with Archie Brown's emphasis on the need to take changing political culture into account and Bialer's emphasis on the need to eliminate the unwritten democratic centralist code that has pervaded Soviet society as well as Soviet state and party structures.[8] The Soviet people have changed since 1917, and the changes they have undergone have created greater possibilities for democracy in the Soviet Union today than existed in the past. The concern of these specialists, in other words, is also about whether the Soviet people are ready for democracy.

JERRY HOUGH states that his *Russia and The West: Gorbachev and*

[6]Bialer begins by quoting Robespierre's observation that "A single week in the life of a revolution is often richer in historical events than a year of normal times."

The best account of Soviet events in the spring and summer of 1988 is William and Jane Taubman, *Moscow Spring*, New York, Summit Books, 1989. Their statement of *perestroyka*'s predicament remains valid: "The way we lived [in Moscow] helped us better understand the paradox that confronts Gorbachev's revolution: the same conditions that make change essential are those that obstruct it. Decades of mismanagement have convinced many Russians, including Gorbachev supporters, that nothing can be changed, while poor health, poor food, and other strains of everyday life sap the energy they might otherwise devote to reform. These conditions are a ticking time bomb. Gorbachev has only so long before they cease to be justification for the reforms and become his opponents' proof that the reforms have failed" (p. 24).

[7]For an earlier analysis, which though on the right track turned out to have been overly cautious, see Ronald Tiersky, *Ordinary Stalinism: Democratic Centralism and the Question of Communist Political Development*, London, Allen & Unwin, 1985. My general purpose in this book was to challenge the shortsighted view that communist parties could never produce the leaders of their own transformation. This proved correct. But I supposed change would probably be slow and complex. Instead, the communist idea was nullified in a single stroke by eliminating the communist party's "leading role" from the East European and Soviet constitutions.

[8]The most evocative studies I know of this unwritten code are the novels of Alexander Zinoviev and, above all, his semi-sociological *The Reality of Communism*, London, Victor Gollancz, Ltd., 1984.

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the Politics of Reform "is really the summary of a lifetime of work" (p. 267). Like Moshe Lewin's *The Gorbachev Phenomenon: A Historical Interpretation,* it is a long-term view focused by short-term intensity and questions. Both writers asserted early on that Gorbachev's moment, whatever its outcome, was a turning point in Russian and Soviet history. In a long-term view, Gorbachev's reform, by literally putting everything at stake in the Soviet Union, has reopened the historic question, whither Russia? How does the long-term view of Hough and Lewin aid in our comprehension of *perestroyka?*

In *Russia and the West,* Hough develops his controversial idea that "the best way for a contemporary American to understand the Bolshevik Revolution is to think of it as the Khomeini revolution of Russian history" (pp. 8–9). Contending that "we have been misunderstanding Russian history and the Bolshevik Revolution" (p. 7), Hough portrays pre-revolutionary Russia, like Iran under the Shah, as a combination of modernization and repression, yet on the whole more inclined to Westernize than to resist Westernization. In his view "the Bolshevik Revolution was an unnatural break with Russian history," in the sense that it was fundamentally xenophobic:

at a very basic level Leninism was appealing to the enormous anxiety of the newcomers to the city and to their rejection of the West European way of life they were encountering and the Westernized elite created by Peter the Great who were promoting further Westernization. . . . Although Lenin presented socialism as a successor to Western European capitalism, his program really implied a different path of development—a path emphasizing old communal values and an absence of the insecurity of the market . . . the same xenophobic emotions that produced the anti-Jewish pogroms then produced the Bolshevik Revolution but now were directed at the entire Europeanized part of the population. (p. 9)

I find this argument unconvincing. The problem with it is revealed in Hough's text, when he says (on the same page as the above quote) that "the Soviet system as it evolved under Lenin and especially under Stalin flowed from the [anti-Western] essence of the revolution." It seems fundamental to make a clear distinction, at least on this point, between Lenin and Stalin. It was Stalin's "socialism in one country" doctrine (1924) that set the tone for the Soviet Union's xenophobic development, while the image of the revolutionary period itself was, as commentators have long agreed, very much of a Westernizing, cosmopolitan movement whose tone was set by leaders such as Lenin and Trotsky.

In fact, Hough claims more than is necessary to make his point about Gorbachev's reforms. He says that "if we see the Bolshevik Revolution in these terms, the 1980's become much clearer" (p. 10), that "the Bolshevik Revolution was an unnatural break with [Westernizing] Russian history, and Gorbachev's radical reforms are simply a return of Russia toward that which is normal for it" (p. 8). It makes more sense, I think, to see the Stalin period alone—if such a stretched analogy has to be made at all—as "the Khomeini revolution of Russian history." Aren't Stalin (the former seminary student) and the Ayatollah a much more plausible couple than Lenin and Khomeini?

Glasnost' in Soviet historical writing will eventually make it possible to assess the extent of Lenin's responsibility for Stalinism. And although Lenin was accused often of being "too Russian" after 1917 (for example, he imposed the Russian Party's ideas of discipline—democratic centralism—as obligatory for parties wanting to join the Comintern), he clearly was no xenophobe.

Most of *Russia and the West* is an informed, insightful, and plainly written study of Soviet domestic politics, the area in which Hough's work has been most influential. His brief chapter on the Gorbachev generation is, in its good sense and simplicity, excellent on the social background and demographic characteristics of the new ruling elite. His analyses of group and institutional interests and of intellectual currents show why a strict "interest group theory" could never have predicted the radicalization of Gorbachev. It seems exaggerated in hindsight, given the problems we now see, to think, as Hough did, that Gorbachev "could have guaranteed himself a quiet five to ten years in office at a minimum by taking a slow and gradual approach" (p. 107). Nevertheless, Hough's analysis makes one try to calculate—both despite and because we want Soviet decommunization—whether Gorbachev's audacity has heated up the situation too much.

WHAT SEEMS to strike Hough most vividly about the Soviet Union's social development in the past three decades is the emergence of a "middle-class society" (p. 267). Moshe Lewin's historical and sociological essay suggests the same thing, yet also indicates why such an apparently straightforward concept of modernization theory is inadequate to a country marked by such contrasts as the Soviet Union. (Thoroughly middle-class societies, among other things, do not have severe food shortages and rationing in peacetime.)

Lewin begins by quoting British journalist Martin Walker to the effect

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that the Soviet Union "went through a social revolution while Brezhnev slept" (p. 2). Writing at the beginning of Gorbachev's radicalization of *perestroyka* (the manuscript was completed in February 1987), Lewin was clearly optimistic. He portrays *perestroyka*—contrary to Hough—as part of a process marked by continuity with the overall sweep of Soviet history. Lewin's analysis of social classes, demographics, culture, economics, and politics reveals the gradual emergence of conditions supportive of Gorbachev-type reforms. The failed reforms of Khrushchev and Aleksey Kosygin in the 1960's, which others interpreted as signs of stagnation and decline, were for Lewin also "a sign of things to come" (p. viii)—evidence of a rebirth of society and of the communist party-state's awareness, or rather acceptance, of an independent role for society.[9]

What is of lasting value in Lewin's book is its sense of social changes over the long term. Thus, Lewin writes that regarding "the crucial role of agriculture and the peasantry . . . any study of the rural sector in the modern period must take into account over two hundred years of efforts to accelerate economic development, starting from the times of Peter the Great" (p. 13).

Lewin's main point is to emphasize *Soviet* urbanization and its social and cultural consequences. Despite government attempts to control the peasants, to keep them on the farms and out of the cities, "it could not stop spontaneous and unwanted migrations" (p. 28). By 1985, population movements "from village to megacity" had resulted in 65 percent of the total population (70 percent in the Russian republic) living in urban environments. But Lewin depicts not just cities but "an intercity system, a whole hierarchy of forms, a network of complicated interconnections on a national, even international scale" (p. 40). He argues that such an intercity system has been setting "the tone for the rest of the country . . . in many ways [it] actually defines the country today" (pp. 41–42).

Three large waves of growth have taken place in the history of Soviet cities: the post-revolutionary recovery to pre-revolutionary urban levels in the 1920's; an episode of intensely forced industrialization in the 1930's; and a postwar boom, especially after 1956, which left the Soviet Union an urban country, at least on paper. Lewin asserts that "in the USSR today, the professional classes and the intellectuals direct all spheres of economic, political, and social life. (They did so even in conditions in which their own personal freedoms were denied to them)" (p. 50).

The problem with this argument has to do not with the directors, but with the directed. In what sense is a country of 280 million people with only a few cities open to foreigners until recently an urban society in the international meaning of the word? The cities of, say, Brazil or even India support a more genuine urban culture than the Soviet Union's. The closed character of Stalinist society, revealed in Hough's description of Soviet xenophobia and in the more common emphasis on the isolation of the Soviet people from the outside world, has always suggested a provincial mentality, despite the number of large cities in the USSR and its large urban population.

However, even if this question raises a legitimate issue of interpretation, Lewin was absolutely correct, in my view, to connect the (at least potentially) genuinely urban inter-city Soviet network of professionals and intellectuals with the emergence of a genuine public opinion in the USSR. As he puts it, "it is already clear that urban reality is breeding a variety of groups, cultural trends, and institutions that are increasingly able to voice their opinions and press for their demands" (p. 80). Lewin was raising the issue—along with Bialer, Hough, Lapidus, William and Jane Taubman, and others—of the birth of "civil society" in the Soviet Union. Already in early 1987, Lewin's historical-sociological view led him to put his finger on the long-term evolution of Soviet society that is the context for *perestroyka* and *glasnost'*: "The concept of a civil society operating in the very fortress of statism—among broad layers of officials, political opinion-makers, and the party apparatus—challenges conventional thinking about the Soviet state. It is a novel idea about a novel situation" (p. 80).

NO ONE, not even Mikhail Gorbachev himself, could have fully foreseen the events of the past few years. And no one can be sure whether reform will succeed or collapse, and with what consequences. Gorbachev is quoted as telling an American businessman at a US trade show in Moscow: "We are trying to re-orient our whole economy to the consumer. But please don't be too concerned about our present economic situation, because we are going through a period of transformation. Things will get straightened out eventually."[10]

Since then, troubles in the Soviet Union have multiplied even faster than reforms. Nevertheless, rebirth of civil society in Russia and the empire is some reason for a broader optimism, beyond the roller-coaster of events.

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[9]Lewin actually began to argue this point in the early 1970's. See *Political Undercurrents in Soviet Economic Debates: From Bukharin to the Modern Reformers*, Princeton, NJ, Princeton University Press, 1974.

[10]*The International Herald Tribune*, Oct. 19, 1989.

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China's Economy

Barry J. Naughton

GENE TIDRICK and CHEN JIYUAN, Eds. *China's Industrial Reform.* New York, Oxford University Press for the World Bank, 1987.

MALCOLM WARNER, Ed. *Management Reforms in China.* New York, St. Martin's Press, 1987.

STEPHEN FEUCHTWANG, ATHAR HUSSAIN, and THIERRY PAIRAULT, Eds. *Transforming China's Economy in the Eighties. Volume I: The Rural Sector, Welfare and Employment; Volume II: Management, Industry and the Urban Economy.* Boulder, CO, Westview, 1988.

R.J.R. KIRKBY. *Urbanisation in China. Town and Country in a Developing Economy 1949–2000 AD.* London, Croom Helm, 1985.

MICHEL CHOSSUDOVSKY. *Towards Capitalist Restoration? Chinese Socialism After Mao.* New York, St. Martin's Press, 1986.

VICTOR LIPPIT. *The Economic Development of China.* White Plains, NY, M. E. Sharpe, 1987.

THE EVENTS of June 1989 marked a sharp turn in the road of China's economic and political development. In economics, the shift in policy orientation that had been under way since September 1988 was intensified by the political upheavals of 1989; a distinct period of economic policy that began in late 1984 has clearly come to an end.

When events move so rapidly, scholarship inevitably lags behind; when reading these books, the reviewer is struck by the rapid changes in China's economic and political environment that have deprived them of some of their immediacy. For serious scholarship, this is not a problem: enduring research will need only to be more firmly embedded in a temporal framework. Moreover, the problems that China grapples with in the 1990's—and our understanding of them—will be defined by the country's successes and failures of the 1980's, and the extent to which they were correctly understood.

The temporal context seems especially important because it had become clear, even before Tiananmen, that the decade of reform in China was divided sharply into two periods, which had very different characteristics, achievements, and problems. The first period ran from the Third Plenum of the Chinese Communist Party's Central Committee, in December 1978, through the completion of the harvest in 1984. This period was marked by important initial reforms in both industry and agriculture; and by two outstanding successes: rapid growth in agricultural production, and a reorientation of industry away from production of military and producer goods and toward the manufacture of consumer goods. Overall, this period was characterized by conservative macroeconomic policies designed to restrain investment and inflation, and by modest industrial growth rates.

The second period began in the final quarter of 1984 and continued through 1988. It was characterized by a resumption of rapid growth in industry, including heavy industry, and a slackening of growth in agriculture; by significant dual-track reforms in industry; and by a gradual acceleration of inflation that culminated in the economic and political crises of 1988 and 1989. Problems far outweighed successes in this period.

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THE WORKS under review are generally based on research conducted through 1985, i.e., up to the point when the results of the first period were clear but the outlines of the second period were not yet apparent. As a result, the authors tend to describe the reform process in terms that are appropriate to the first period only. Although the authors cannot be faulted for not knowing precisely what the future would bring, it is striking that none of them provides an overall analytical framework that could be adapted to cover the subsequent shifts in the reforms.

Methodologically, these works bear the stamp of an earlier era: evidence and arguments are drawn largely from broad reading of the Chinese press, supplemented with individual visits and case studies. There are virtually no attempts to use large-scale data sets or series to analyze the economy. The focus is institutional, with very limited attempts to assess how well the institutions under study really function.

Much of the work on institutions is designed to bring out the sense of complexity and contradiction that is so striking in contemporary China. At its best, this approach offers an intricate and realistic picture of institutions that exist on the ill-defined border line between economic and political bureaucracies. At its worst, it yields reportage of only transitory interest. Much of the descriptive, institutional work done in the 1970's supported a highly optimistic view of China's economic prospects. By contrast, the current crop of authors tend to be cautious and skeptical, even while describing the successes of the first phase of reform.

THE MOST important information that emerges from these books regards the Chinese industrial enterprise. The works edited by Gene Tidrick and Chen Jiyuan, and by Malcolm Warner, and the second of the two volumes edited by Stephen Feuchtwang, Athar Hussain, and Thierry Pairault all make important contributions on this subject, although the contributions are of occasionally uneven quality. The focus on the individual enterprise reflects a belief that important changes taking place in the industrial economy can be observed and studied at the enterprise level. It may also reflect a certain skepticism: the authors seem to distrust discussions of the macroeconomic system unless accompanied by a concrete understanding of operations on the microeconomic level.

These works discuss changes in the autonomy and behavior of industrial enterprises, but provide almost no information on economic planning or macroeconomic control, on investment policy, or on the planning system, and very little on the institutional matrix into which the enterprise fits. This narrow focus shapes and is shaped by the methodology used: all the enterprise studies are based on case-study or small-sample approaches.

The Tidrick/Chen volume is based on the collaborative research of a World Bank team and a team from the Institute of Economics at the Chinese Academy of Social Sciences. This study is the best of the ones on enterprise management because of the variety of viewpoints offered and the fact that all the analysts base their observations on the experience of the same 20 enterprises.

We learn many interesting things from this approach. A piece by William Byrd and Tidrick on enterprise objectives stresses that enterprises try to balance the pursuit of several competing aims: maximizing worker household income, expanding the size and technological capability of the enterprise, and satisfying superiors. A piece by Tang Zongkun carefully describes the material supply system and some of the ways it breaks down: mismatched supply and demand, delays in delivery, and excessive inventories. Especially interesting is David Granick's chapter on the differences between the Chinese industrial management system and that of the Soviet Union and Eastern Europe. Granick stresses four key differences: labor markets are important in the Soviet Union and Eastern Europe but not in China; conversely, China has more markets for producer goods; the PRC has less planning; and it allots a larger role to local governments.

The book is rich but sometimes overly dense: chapters are organized thematically, so that the enterprise case studies are hard to follow. The greatest limitation to this volume is that its findings are based on enterprise interviews conducted in 1981 and 1982. Investigators observed factories struggling to compete in a "slack," buyer's market, and traced many kinds of desirable economizing behavior to these market conditions. The book is quite optimistic in tone, a reflection of the authors' assumption that these changes would continue and deepen. But the market conditions described ended with the shift in reform strategy in 1984, as a consequence of which enterprises resumed operating in a seller's market, one that was characterized by shortages and inflationary pressures. Market shifts undermined the effectiveness of further enterprise reforms in the later period.

The Warner volume is much more uneven. Its scope is also limited; it is based primarily on the experience of economists and management specialists working with the Chinese managers at the European Economic Community's management training school in Beijing. As might be expected, the strength of

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these pieces is their analysis of the internal management structures of Chinese enterprises. For example, John Child examines a wide range of management decisions and finds that Chinese enterprises as of 1985 already had a surprising degree of autonomy by comparison with divisions of firms in market economies. He describes a peculiar combination of rigidity and slackness in internal firm management.

A piece by Gordon White on labor markets and job allocation makes some good points, stressing that the fact that labor market reform achieved only limited progress is the result of numerous obstacles. Problems of surplus labor, ideological constraints, and the practice of providing welfare functions through the enterprise all have delayed the transition toward greater mobility of Chinese manpower.

The volume also contains useful pieces on the participation of workers in management, worker incentives, and worker congresses. Unfortunately, Max Boisot's otherwise interesting treatment of "industrial feudalism" is cluttered up with meaningless charts.

Volume II of the Feuchtwang/Hussain/Pairault work contains a nice piece by Martin Lockett that places urban collectives within the context of the industrial economy. It also reprints Wojtek Zafanolli's piece on China's "second economy,"[1] which compiles lots of interesting gossip about illegal and semi-legal transactions. The general descriptions of China's urban reforms found throughout the volume do not generate much new insight.

As a group, these three works present a rich, concrete, and nuanced view of the operation of Chinese industrial enterprises (at least those in urban areas). They are the creation of a group of scholars with extensive first-hand experience in China's cities, who speak with authority and a respect for the complexity and contradictions of the institutions they observe. They take the institutional, case-study approach to China's economy about as far as it can go.

Indeed, at times these authors seem unsure what to make of the institutions they observe. And little wonder! The industrial enterprises they describe emerge as complicated mélanges of historically inherited institutions, operating under administrative restrictions imposed by bureaucratic superiors, and competing with nascent market-oriented businesses—all transforming and transformed by the behavior of individuals seeking to increase their own incomes and power. No one could read these studies and believe that Chinese managers and workers have no incentives; but they would be very hard pressed to say what the implications of the incentive environment described really are.

Paul Hare's chapter in Volume II of the Feuchtwang/Hussain/Pairault work, entitled "What Can China Learn from the Hungarian Economic Reforms?" brings a broader, and novel, perspective. Hare believes that the predominant reason China adopted reforms was its failure to raise living standards and that, on balance, China's state-run industrial sector performs reasonably well. He concludes that China should draw the "lesson" that it is not worth accepting the political risks of economic reform unless the economic case is more compelling (p. 66). Hare is not a specialist on China and underestimates the extent of the problems in the Chinese state sector, but his stress on the difficulty and risk of the reform process as a whole compensates somewhat for the narrower focus of other authors on enterprise-level changes.

THE FIRST volume of the work by Feuchtwang, Hussain, and Pairault brings the analysis to the countryside. A thoughtful piece by Hussain and Feuchtwang discusses trends in rural living standards over a broad time period. While not minimizing poverty or the terrible famine following the Great Leap Forward, the authors, using regional demographic statistics, argue that food distribution must have become more equal after the famine. Although overall food consumption stagnated, mortality rates continued to decline in all provinces and remain below what might have been expected were distribution of food uneven. The same institutional factors presumably work to eliminate pockets of extreme poverty. My only complaint with this article is that after extensive discussion of the limitations of certain statistics, the authors nevertheless use them without adjustment to create tables and graphs that not only add little to the presentation but also can be quite misleading.

This volume also includes two exceptionally thoughtful pieces on the implications of rural reforms for women. Elisabeth Croll describes the wide-ranging implications of a single economic fact: the patriarchal household has once again become the central economic organization in the countryside.[2] As Croll stresses, this has had a significant impact on the division of labor within the household (by sex and by age) as well as the division of labor between households and other organizations. Demand for different types of household labor (including

[1]Originally published in *Asian Survey* (Berkeley, CA), July 1985, pp. 715–36.

[2]Under the "household responsibility" system inaugurated in 1981, families cultivate a plot of land and then deliver a fixed quantity of output to the state. The household can then either keep or market any excess output.

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child labor) is affected in different ways, and these changes have complex and ambivalent effects on the status of different sex and age groups.

Croll is noncommittal on the ultimate effects on women of these changes, but Delia Davin sees the result of these organizational reforms to be to break up women's cooperative and communications networks, and subordinate women to the household economy, which is still overwhelmingly patriarchical. According to Davin, the household is able to create an internal "wage" and status system relatively insulated from, though affected by, the external economy. These two pieces should be read together for maximum impact.

R.J.R. KIRKBY's book on urbanization provides broad insight into the nature of the Chinese economy. In the first chapter, the author has no difficulty demolishing interpretations of China's development strategy that see it as marked by pro-rural, anti-urban biases,[3] and shows the persistent bias in favor of urban dwellers. The following chapter on restrictions on population movement is also quite good. Kirkby's lively writing style, which mixes statistical fact and personal anecdote, serves him well when he seeks to repair the Chinese data series on urban population, a thankless task by any standard. In spite of a valiant effort, he is still left with an unexplained drop of 20 million people in the enumeration of urban population between 1963 and 1964, the result of the Chinese splicing together of two inconsistent data series.

In discussing regional patterns of urbanization, Kirkby keeps in sight the importance accorded under Mao to military considerations in urban siting, a perspective that is rare in the literature. There is also a good discussion of urban housing policy. Kirkby shows that in the early 1980's, Chinese urban planners moved away from their earlier consensus view that Chinese urbanization should focus on medium and small cities and restrict the growth of large cities. The emerging perception that large cities serve as centers that generate economic growth has led to a more relaxed attitude toward their expansion; at the same time, rural industrialization has increased the importance of very small urban places. In the end, we are left with a picture of an urbanization policy that is very much in flux. In part this is due to Kirkby's desire to keep the final chapters of his book up to date, but it also reflects the recognition that rapidly changing events in the economic sphere were outrunning the efforts of urban planners.

THE BULK of the works discussed so far are in the mainstream of Anglo-American scholarship, and as such, tend to be long on description and short on theory and anaylsis. The French contributions to the Feuchtwang/Hussain/Pairault volumes, by contrast, tend to be more broadly historical, more comparative, and given to sweeping generalizations. They evidence good knowledge of the Chinese language sources, and are also enlivened by a much more profound awareness of Marxist categories of analysis and of the Soviet and East European experience than is comparable American Sinology. This reflects the importance of Marxism in French intellectual circles—and even more so the sharp disillusionment with Marxism there. Although this conversance with Marxism can be useful, the French scholars' repeated surprise at Chinese departures from Marxist orthodoxy seems tiresome and outdated, particularly given the sharp disillusionment with Marxism among French intellectuals themselves.

The final two books under review seem more positively disposed toward Marxism, but show less familiarity with the Chinese sources. In the case of Michel Chossudovsky, the result is a terrible book. In spite of having read widely in English-language sources and visited China a few times, the author displays little genuine understanding of the country. He contrasts the ideals of the Cultural Revolution with some of the worst aspects of contemporary Chinese society. Both those ideals and the failings of today's China are real enough, but the author combines them into a moralistic fable in which all kinds of sinister forces abound, but where little light is shed.

Every now and then, Chossudovsky remembers that as a Marxist he should use some class analysis to explain these changes, and he says something silly: for instance, that collectivization failed to destroy the power of the rich peasants in the countryside and that this failure set the scene for the restoration of capitalism (p. 25). Those hostile to Marxism will, of course, never pick up this book; those who believe a Marxist approach could be productive will put the book down in irritation.

The first half of Victor Lippit's book is about the failure of economic growth in China during the 10th through the 19th centuries. The second half, which is relevant here, struggles simultaneously to assess China's general experience of development since 1949 and to define a notion of socialism that can serve as a yardstick. In a word, how well did China do and to what extent was its development path socialist?

[3]Such an interpretation can be found in Michael Todaro, *Economic Development in the Third World*, 4th ed., White Plains, NY, Longman, 1989, p. 148.

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The first task is performed fairly well. Although a slightly casual approach toward the Chinese data mars some of the discussion, Lippit generally achieves a balanced assessment of the result of 35 years of development in China (the book was apparently written in 1984), focusing on the impact of this course of development on the well-being of the population.

Defining exactly what is socialistic about a country's development path turns out to be much more difficult. Lippit's arguments seem to be that all economies must industrialize, and that the systems that do so in the way that proves least harmful to living standards are the "most socialist" (pp. 21–22). Despite a presumed affection for the ideals of socialism and latent sympathy for Marxist analysis, the author fails to advance a successful Marxist framework, or indeed, any framework for analysis.

ALL of the works under review display a certain ambivalence toward their topic. Subject matter is often determined by the relative stress that Chinese analysts give to different topics. The development of independent themes in the Western literature is still quite slight, as evidenced by the relative paucity of citations to other Western analysts. Most cite Chinese sources as "raw material" for building generalizations, yet the authors do not really accept Chinese definitions of the process of economic reform or their evaluations of reform's prospects or failings.

The sharp turns of the past year mean that a new literature will soon have to built on the basis of the existing one, a literature that will ask new questions and hopefully provide for more extended dialogue and analysis. Foremost among the questions to be answered is: what went wrong? i.e., what derailed a seemingly promising reform process and brought on mounting economic crisis?

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On Communist Agriculture

Barbara Ann Chotiner

ROBERT DEUTSCH. *The Food Revolution in the Soviet Union and Eastern Europe.* Boulder, CO, Westview, 1986.

CYNTHIA KAPLAN. *The Party and Agricultural Crisis Management in the USSR.* Ithaca, NY, Cornell University Press, 1987.

VALENTIN LITVIN. *The Soviet Agro-Industrial Complex: Structure and Performance.* Delphic Monograph Series, Boulder, CO, Westview, 1987.

JOSEF C. BRADA and KARL-EUGEN WÄDEKIN, Eds. *Socialist Agriculture in Transition: Organizational Response to Failing Performance.* Boulder, CO, Westview, 1988.

IN MOST communist and "post-communist" political systems today, agricultural policy is undergoing considerable change. In the Soviet Union, a new law on ownership passed by the Supreme Soviet on March 6, 1990, establishes the right to own land and gives to peasants the right to pass their land on to their own children.[1] This legislation comes amid serious food shortages and the introduction of rationing for meat, sausage, and butter in one-fifth of 445 cities surveyed by the State Committee for Statistics.[2] In Vietnam, a new economic liberalization program permits peasants to lease land on long-term contracts that can be passed on to their children and allows the market to set prices for most agricultural goods.[3] In Poland, the Solidarity-led government is seeking to de-monopolize food production and allow the market to determine supply and demand. Other reforms—although not as radical as those in Poland—are under way elsewhere in Eastern Europe.[4]

The four volumes under review offer a point of orientation for addressing issues of innovation, change, and stasis in the agricultural policies of a range of communist systems from a variety of national and scholarly perspectives. These books survey the administration of agricultural production as well as macroeconomic processes that have a bearing on agriculture, past and present communist efforts to reshape agricultural institutions and rural practices, the impact of socio-economic change on agriculture and the peasantry, policy processes as well as their inputs and outputs, and questions of nutrition. Although each of these works addresses issues of current interest to policymakers and scholars, each of them also has a historical component.

OF THE works under review, the most easily accessible treatment for the non-specialist is Robert Deutsch's *The Food Revolution in the Soviet Union and Eastern Europe.* A historian, Deutsch explains the processes that have made agricultural and food-distribution problems a focus of elite and mass attention. He provides a summary of dietary patterns and describes offi-

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[1] *Sel'skaya Zhizn'* (Moscow), Mar. 7, 1990.
[2] Karl-Eugen Wädekin, "The Goskomstat Report for 1989: An Economy out of Control," Radio Liberty, *Report on the USSR* (Munich), Feb. 16, 1990, p. 4.
[3] *The Washington Post*, Mar. 15, 1990.
[4] Nancy J. Cochrane, "Agricultural Price Reform in Eastern Europe: The Case of Poland," *Problems of Communism* (Washington, DC), January-February 1990, pp. 64–73.

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cials' responses to meet perceived citizen demands. The work examines fiscal appropriations for agriculture, substantive policy changes in agriculture, and reorganizations of agricultural bodies in the Soviet Union, the German Democratic Republic (GDR), Poland, Czechoslovakia, Hungary, Bulgaria, and Romania. Deutsch also discusses Council for Mutual Economic Assistance (CEMA) trade in agricultural products and the impact of European communist states' farm programs on the international political economy. The book contains an especially useful bibliography.

In *The Party and Agricultural Crisis Management in the USSR,* political scientist Cynthia Kaplan contributes to the building of theory on the role of the Communist Party of the Soviet Union (CPSU) in Soviet society, primarily through an analysis of the party's agricultural policy, including its management and personnel, from the end of World War II until the death of Stalin. Kaplan argues that the practices and relationships that evolved under "mature Stalinism" continued at least into the 1970's, if not later, and must be altered if Soviet political institutions are to govern effectively a modern economy and society.

Kaplan describes the different procedures and methods for supervising industrial and agricultural production and thus challenges the previously dominant view of the CPSU as a monolithic organization. She suggests that party members and various subdivisions of the party relate in different ways to various societal interests and have divergent views of the socio-economic system, thus making for intra-party cleavages and conflict.

Before emigrating to the United States, Valentin Litvin served on the staff of the All-Union Academy of Agricultural Sciences in the USSR. Litvin was involved in the policy process that resulted in CPSU Politburo and Central Committee endorsement of the further specialization and higher-level "agro-industrial integration" of cultivating, processing, and trading in agricultural commodities in the 1970's. His *Soviet Agro-Industrial Complex* details the policy process in which he participated; the attempt to gather and utilize information about agricultural science, economics, and administration—especially from abroad; and the reforms of the early to mid-1980's.[5] Frequently, Litvin counterposes Soviet developments to Western practices and achievements. His discussion of scholars' involvement in laying the groundwork for what became official acts sheds further light on the much-discussed topics of political participation and "interest-group" activity.

Joseph Brada's and Karl-Eugen Wädekin's *Socialist Agriculture in Transition* is made up of 29 chapters by economists, political scientists, a historian, agricultural scientists, and geographers of different national backgrounds that were originally presented at the Seventh Conference on Soviet and East European Peasant Affairs convened in Grignon, France, in 1984. The volume represents a cross-section of thinking and research about communist agriculture; and despite the conference title, Chinese and Vietnamese rural programs are addressed. Topics include collectivization, brigades, the treatment of private farming, policy innovation, stimulation and marketing of agricultural production, planning and investment in the rural sector, domestic and international trading in agricultural commodities, and the politics of food-supply.

THE FOUR books effectively highlight the many ways in which agriculture is inextricably intertwined with politics. Certainly this interweaving results from political control of the economy and science,[6] as well as ideologically determined programs of socio-economic transformation. Ideas and actions concerning agriculture provide the raw material of systemic stasis and change.

One important inter-relation between agriculture and politics juxtaposes regime ideology and agricultural policy. Communist elites have fashioned and implemented policies designed to make ideological beliefs a reality. Collectivization is perhaps the best example of efforts at socio-political engineering inspired by Marxist-Leninist ideology. Although Stephan Merl (in Brada and Wädekin, pp. 77–82, 84–91) emphasizes the economic goals of the campaign in the USSR, collectivization had well-known ideological roots. Kaplan reminds her readers that an ideologically determined preference for industry limited the amount of funding available for agriculture and hence made desired levels of farm production extremely difficult to attain (pp. 18–19, 22, 30, 51, 143). In the Brada and Wädekin volume, Zbigniew Fallenbuchl, Edward Cook, Andrzej Korbonski, Franciszek Tomczak, Wiktor Herer, and Robert Miller all stress the role of ideology in encouraging communist regimes in Poland and Yugoslavia to direct resources to "socialist" farms at the expense of better-performing private ones. Likewise, Josef C. Brada, Jeanne C. Hey, and Arthur E. King in the Brada and Wädekin volume note that the Czecho-

[5] A 1982 reform involved the so-called Food Program, which was introduced at the May CPSU Central Committee Plenum with the aim of increasing local incentives and solving the production problem.

[6] On this point, see Zhores A. Medvedev, *The Rise and Fall of T. D. Lysenko,* translated by I. Michael Lerner, with the editorial assistance of Lucy G. Lawrence, New York, Columbia University Press, 1969; and Kaplan (pp. 22, 144).

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slovak government spent resources on state farms (supposedly a "higher" form of economic organization) that could have been more effectively spent on collective farms.

When confronted by the low effectiveness and efficiency of their agricultural sectors, communist regimes need to provide an ideological rationale for organizational innovations to improve production. Claude Aubert describes the switch from the peoples' communes to the "household responsibility system" in China (in Brada and Wädekin, pp. 272–88)—a change from institutions previously regarded as the essence of Chinese socialism—because of the former's inadequate performance. With this departure and with the encouragement given to private plots in Hungary and Soviet Georgia—a development mentioned by Ivan Benet (p. 185) and Jean Radvanyi (p. 114) in the Brada and Wädekin volume as well as by Deutsch (pp. 80–81, 84)—communist doctrine had to be "adapted" to new circumstances or "developed" anew.

The inability of the agricultural sector in communist countries to provide an adequate supply of food at reasonable cost has been an explosive political issue in the past. Andrzej Korbonski states that meat in Poland became a "political good" (p. 153); its availability became a barometer of regime performance. He and Fallenbuchl note that the rise of Solidarity and the fall of Edward Gierek in Poland resulted from the regime's promulgation of higher meat prices. Also in the Brada and Wädekin volume, Ihor Strebelsky's analysis of dietary disparities among Soviet union republics suggests a potential source of political tensions (pp. 99–102).

A MAJOR preoccupation in all four books under review is the examination of institutions created to manage agricultural production, processing, and trade, as well as to facilitate more effective performance of these activities. An important focus of the Brada and Wädekin volume is the introduction and dissemination of "contract brigades" and "normless links" in the USSR, which took place in the early to mid-1980's.[7]

The brigade or link members negotiate with farm management to undertake a given agricultural task such as raising crops or providing specific services in return for a guaranteed payment. The brigade itself distributes the payment to its members. In place of detailed administrative supervision, this innovation was designed to encourage greater use of economic incentives, more professional autonomy, and the assumption of greater risk by peasants to obtain higher, better-quality yields of plant and animal products. In introducing these innovations, Soviet policy-makers seem to have relied on the model of the more productive private plots and family farms of Poland, Hungary, and Yugoslavia.[8] But state domination of these sectors in the USSR and the consequent difficulties in obtaining inputs, "formalism" in campaigning for acceptance of the new production structures, the dependence of agricultural production on political interactions, and consumer-goods scarcities led the authors to be skeptical about the future of collective contracts.

Devolution to producers of responsibility for an inter-related set of agricultural operations is not the only form of organizational innovation that has been under way in communist states since the 1960's. Related reforms in the administration of production, often above the level of the collective and state farm, are "specialization and concentration," on the one hand, and "agro-industrial integration," on the other.

Litvin devotes much attention to these processes.[9] As a participant in formulating Soviet policies on specialization, Litvin extolls the economies of scale that can be gained by narrowing the scope and increasing the size of production operations. Specialization and cooperation have been much favored for livestock-raising, which, as Deutsch (pp. 40, 53, 78, 88, 95, 125, 128) and Barbara Severin (in Brada and Wädekin, pp. 344–45) especially note, is a priority not only in the USSR but also in Eastern Europe. Advantages of "specialization and concentration" include greater flexibility in directing a range of production processes as well as removal of inter-organizational impediments to supply, research, spoilage reduction, standard-setting, and the like.

However, at a different level of analysis, "departmental barriers" continue to exist between integrated production complexes of different ministries. Thus, greater efficiency can be obtained through

[7]The subject is addressed in the chapters by Alec Nove, Michael Ellman, Roy D. and Betty A. Laird, Alain Poliquen, Wädekin, and Jean Radvanyi.

[8]Household procurement contracts in China also seem to rely on factors that the Soviet brigade and link agreements are supposed to harness, but with greater marketization of agricultural supplies and services.

[9]Aside from the works examined in this essay, the reviewer has learned about specialization, concentration, and the early stages of agro-industrial integration in the Soviet Union especially from discussions in Soviet journals in 1981 and 1982. These sources include *Ekonomika Sel'skogo Khozyaystva, Kadry Sel'skogo Khozyaystva, Planovoye Khozyaystvo, Kommunist, Partiynaya Zhizn',* and *Kommunist Estonii.* She also benefited from a colloquium by Charles Mulchi, "Impressions of Soviet Agricultural Research Facilities and Programs," held under the auspices of the Office of International Programs, College of Life Sciences, University of Maryland, College Park, MD, January 23, 1989.

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vertical and horizontal integration. Litvin argues for the advantages of creating "coordinating bodies" (like the Soviet *rayon* agro-industrial associations in the 1970's) and for substituting a single agency for several ministries and a state committee—as perhaps with the expansion of the power of Gosagroprom in 1985 (pp. 69–70, 129, 142). Vertical integration might also—in, for example, grape production in Moldavia—combine in a single agency input sources, farms, processing plants, a trade network, and a research capability. Despite such benefits, Soviet and East European policymakers seem to be reevaluating the overall efficacy of organizational gigantism. Thus, Gosagroprom was abolished in April 1989.[10]

Soviet reformers drew upon Bulgarian and Hungarian experiences with agro-industrial organizations, thus their examination of East European innovations may represent another example of foreign communist influence on the political development of the USSR.[11] Hungarian and Bulgarian agro-industrial organs combine farming and manufacturing for more than one crop or kind of livestock. By contrast, the East Germans emphasize specialization, particularly for crop- and animal-raising carried out on large farms. Deutsch (p. 85) and Karl Hohmann (in Brada and Wädekin, pp. 210, 212, 214) found that the German approach has led to increased costs and lower productivity. Along the same line, Adam Fforde points to the inefficiency of specialization in Vietnamese collective farms (in Brada and Wädekin, p. 306).

POLITICAL control of the economy yields a range of instrumentalities for trying to obtain desired agricultural policy outcomes. Certainly the economic plan is the most important tool used to bring about desired objectives. In the Brada and Wädekin volume, Eberhard Schinke (pp. 199, 201, 203) and Ivan Loncarevic (pp. 248, 250–51, 257–58) are among those contributors who are describing administrative price manipulations as a means of influencing the behavior of producers and consumers. Markets in communist systems can facilitate flexibility in the production of goods and services and a more realistic valuation of goods and services, but, as Loncarevic argues, socialist markets are circumscribed by administrative controls (pp. 250, 252–54). Robert Miller and Edward Cook (in Brada and Wädekin, p. 235 and pp. 132 and 135 respectively) note that governments control access to the market.

The works under review also examine, in often fascinating detail, the creation and deployment of political resources in the agricultural sphere. Economic organizations themselves can be political resources that channel, regularize, or block activity, hinder or enhance productive possibilities, and assign them to or remove them from the responsibility of particular groups or individuals. Alain Poliquen (in Brada and Wädekin, pp. 46–47, 50) eloquently describes a whole series of social and political instrumentalities used to stimulate agricultural production. Claude Aubert (in Brada and Wädekin, p. 288) states that political functionaries determine which Chinese households are assigned the more profitable operations under the family-contracting system.

At numerous points in her book, Kaplan demonstrates that CPSU officials in the countryside have wielded rule-making and appointive powers to force specific farming operations according to the dictates of the *apparatchiki*. She also argues that participating in the management of agricultural production furnishes CPSU officials with political resources, but surprisingly, she argues that *apparatchiki* might be willing to surrender such power. Kaplan contends that if the officials believe that the functioning of the economy is central to citizens' evaluations of the political system, CPSU bureaucrats are likely to place a greater premium on technical skills as the economy and production processes become more sophisticated. Better educated themselves and sharing career experiences with state functionaries and production managers, *apparatchiki* would no longer be so dependent on interference in the economy for advancement (pp. 3, 182–83). (Of course, the degree to which party functionaries cease interfering in economic operations will in large measure determine the fate of *perestroyka* in the USSR.)

THE FOREGOING discussion suggests that communist officials can use political power and the creation of political assets not only to induce or hinder various kinds of productive behavior, but also to influence non-economic activity or even the expression of attitudes.[12] Economic opportunities, grants, privileges, and deprivations can become bargaining chips in putting together coalitions—whether of social groups or of individuals. The differential allocation of economic benefits within the agricultural sector or between rural and urban producers can give rise to significant social and politi-

[10] *Ekonomicheskaya Gazeta* (Moscow), No. 16, 1989, p. 15.

[11] For an influential discussion of this phenomenon, see Zvi Y. Gitelman, *The Diffusion of Political Innovation: From Eastern Europe to the Soviet Union*, Beverly Hills, CA, Sage Publications, 1972.

[12] See William H. Riker, *The Theory of Political Coalitions*, New Haven, CT, Yale University Press, 1962, pp. 110–11.

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cal cleavages. Such differences over agricultural policy have been the source of major disputes within communist leaderships.

Chapters in the Brada and Wädekin volume, and the works by Deutsch, Litvin, and Kaplan address the issues of cleavages and coalition-building as well.[13] As these books make clear, collectivization of agriculture in the Soviet Union and the establishment of the people's communes in China created a profoundly disadvantaged class in each case.[14] Stephan Merl (in Brada and Wädekin, pp. 82–84, 86, 88–91) and Kaplan (pp. 21–25, 25–27, 56–59) explore dimensions of this discrimination in the Soviet Union—a difference of circumstances so severe that Kaplan states that it sapped the unity of the primary "integrating" entity within the polity, the CPSU. Thus, party functionaries in agriculture—facing a lack of personnel and material resources—institutionalized different behavior patterns than CPSU confrères in industry, in order to attain procurement results that would be considered acceptable (pp. 11–14, 32, 181–82).

By contrast, a number of these works depict regime attempts to build coalitions that include the peasants—and from which the peasants ultimately benefited. Deutsch (pp. 53–54, 80–81), Wädekin (in Brada and Wädekin, pp. 64–66), Ivan Benet (in Brada and Wädekin, p. 185), Robert Miller (in Brada and Wädekin, pp. 231–32, 235–37), and Claude Aubert (in Brada and Wädekin, pp. 273–276,278–80, 282–84) show that policies since the 1950's have eliminated at least some of the deprivations experienced by farmers and others working in the rural sphere. Similarly, Andrzej Korbonski describes Polish authorities' efforts to gain the support of the farmers, and worker resentment at the farmers' improved economic position (in Brada and Wädekin, pp. 149–52).

THE BROAD range of issues, relationships, and dynamics addressed in the works under review makes them inherently valuable for an understanding of the changes in agricultural policy presently under way in many communist systems. One acquires a sense not just of broad processes and major institutions, but of small-scale relationships and changes as well—and in a variety of national and temporal contexts. Therefore, one gains a better appreciation of details and specifics, which Wädekin argues is essential for understanding communist systems (in Brada and Wädekin, pp. 69–70).

Moreover, an improved knowledge of agriculture can serve not only specialists in that policy sector but also—as this reviewer has aimed to show—scholars with other interests as well. Thus, as Gregory Grossman has recently urged,[15] we need to take more interest in communist agriculture. These books would be good sources for pursuing that inquiry.

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[13]In the Soviet field, some important classics calling attention to conflict and alliance-making over agricultural issues as an integral part of national politics are Robert Conquest, *Power and Policy in the USSR: The Study of Soviet Dynasties*, London, Macmillan and Company, Ltd., 1962; Zbigniew Brzezinski and Samuel P. Huntington, *Political Power: USA/USSR*, New York, The Viking Press, 1964; and Sidney I. Ploss, *Conflict and Decision-Making in Soviet Russia*, Princeton, NJ, Princeton University Press, 1965.

[14]With regard to China, see Wädekin, in Brada and Wädekin, pp. 61, 66; and Claude Aubert, in Brada and Wädekin, pp. 271, 276–77.

[15]Gregory Grossman, "A Note on the Study of Soviet Agriculture," *American Association for the Advancement of Slavic Studies Newsletter* (Stanford, CA), No. 28, March 1988, pp. 1–2.

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